

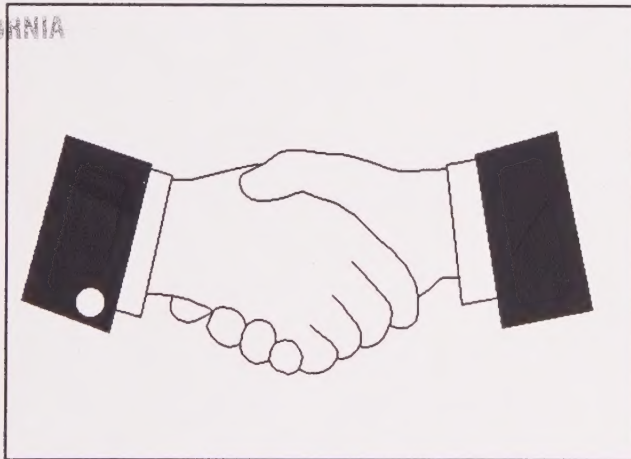
**CITY OF SAN LEANDRO
VISION TASK FORCE:
PUBLIC ADVISORY TASK FORCE
ON CITY FINANCES**

VISION PLAN

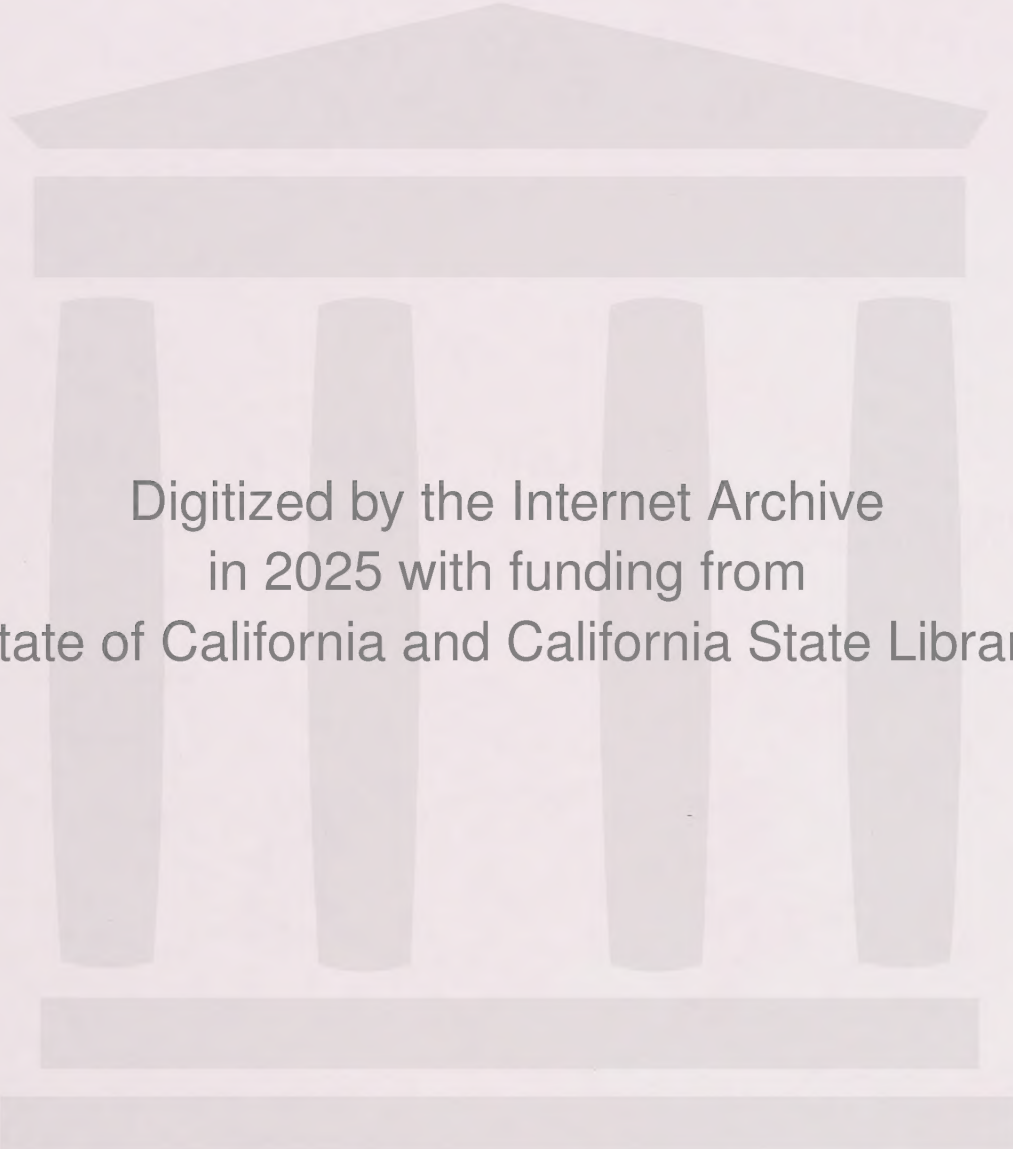
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UNIT 10: THE FUTURE

1. Complete the sentences with the correct form of the verb in brackets.
2. Write a short paragraph about your future plans.
3. Discuss your future plans with a partner.
4. Write a letter to your friend about your future plans.
5. Write a report about your future plans.

1. I am going to study law.
2. I am going to travel around the world.
3. I am going to get married.
4. I am going to start my own business.

INTRODUCTION

On September 3, 1992 the Legislature and the Governor approved the State's FY 92-93 Budget. Included in the State Budget was a take-away of over \$1 billion from local government. This reduction included a cut in property tax revenue to the City of San Leandro of approximately \$1 million -- nearly the equivalent of the City's entire budget for Recreation programs.

The cut came after the City had, in the last two fiscal years, already trimmed more than \$4 million from its budget and eliminated 34 full-time and 18 part-time staff positions to balance our budget. This had occurred largely without impacting community services.

In addition to the State reductions, the City's traditional revenues (i.e., property tax and sales tax) are also flat and declining. This whole phenomenon is compounded by the continual imposition of State and Federally mandated programs that cities are ordered to administer, costing the City more money, with no additional revenue. Looking to FY 93-94, it has become apparent that an additional base-line reduction of \$2.5 million to the City's budget will occur under the Governor's proposal to eliminate the City's remaining AB 8 property tax funding. The City is clearly facing a long-term budget crisis.

Simply put the problem is: "What is the City going to do to address the long-term picture of revenues falling short of expenditures -- \$5.7 million for FY 93-94?" The City Council recognized that the answer to such a problem is to involve the "Community" in the budget process, to a degree never done before.

In order to achieve this involvement, the City Council decided to create the "Vision Task Force: Public Advisory Task Force on City Finances."

The idea for the Task Force comes from the City Council's desire to expand the City's Budget development and include a greater role for the community in this process. The Task Force is part of the philosophy that important financial decisions cannot be made without an informed staff and public and without their input.

The Vision Task Force was charged with delivering a "Vision Plan" to serve as the basis for the City's Budget for the next three fiscal years. On January 25, 1993, the Task Force delivered and presented their recommended Vision Plan to the City Council.

In summary, the Vision Plan includes:

- \$4,000,000 in revenue adjustments (FY 93-94)
 - \$3,084,729 in service reductions
 - \$ 987,000 in General Fund expenditures to provide for Disaster Preparedness (FY 93-94)
- **Revenues:** The Vision Plan includes new revenue adjustments to achieve a \$4.0 million increase in revenues in Fiscal Year 93-94. Included are adjustments to increase the transfer station business license fee, the utility tax, and the property transfer tax. Also included are the creation of a storm water utility fee and a Marina Park user fee. The Vision Task Force has recommended that a low-income exemption be developed to assist qualifying property owners with the storm water utility fee.

- **City Services:** The Subcommittee developed an extensive list of potential reductions in City services, resulting in potential savings of \$3.08 million.
- **Disaster Preparedness:** The Plan determined that \$987,000 in General Fund expenditures are required in Fiscal Year 1993-94 to begin to develop an adequate disaster response program for the community and to begin to seismically retrofit essential City buildings.

The Public Advisory Task Force represented all the citizens of San Leandro, allowing the community an opportunity to share in the design of San Leandro's future. The Task Force's decisive actions provide a basis for financial stability over the next three years and allow the City to continue to provide essential services to the community.

BACKGROUND

The City of San Leandro has long prided itself on its tradition of balancing the City budget within its own means and providing excellent services to the community to create an outstanding Quality of Life. However, over the last few years, the City has experienced deteriorating financial conditions due to factors outside its control. The City has responded to this situation by implementing a number of policy decisions and programs designed to preserve basic services, minimize public impact and provide for the long-term financial stability of the City. These actions included City Council adoption of Financial Strategies designed to increase revenue and control expenditures.

In November 1990, the recession worsened and greater steps were taken to balance the budget. The Budget Re-focus Program was implemented which contained expenditure reductions of \$2.1 million from the 1990-91 and 1991-92 City Budgets and the use of \$1 million in General Fund reserves.

As the financial outlook worsened, an Alternate Financial Plan was developed and subsequently approved by the City Council as the basis for the 1992-93 City Budget. The Alternate Financial Plan provided for savings in such areas as reductions in management staff, reductions in City Manager and Department Head compensation, containment of expenditure growth, reductions in annual depreciation, further elimination of services, employee furloughs, deferral of selected Capital Improvements and reductions in employee-related costs. These savings total \$4 million. The Financial Plan also provided for new revenues in the form of a number of City fee increases which totaled \$721,000 in 1992-93.

Unfortunately, the State of California was unable to follow the lead of cities in managing its resources and in 1992 chose to pass its deficit problems onto cities. Specifically, the State reduced AB 8 funding, which provided support to local governments through property tax assistance payments. AB 8 funding was enacted in 1979 to offset the loss of property tax revenue due to changes in assessed valuation mandated by Proposition 13. AB 8 revenue was always intended to be a permanent resource for local government to fund city services. Instead, the State took approximately one-third of this funding, and it appears that the remainder will soon be taken as well.

In addition to the State's action, the City's budget condition was also compounded by the national recession. Traditional revenue sources, such as sales, utility and property taxes, have also been shrinking for the last three years. This lack of growth has required repeated downward revisions to the City's income and budget. In September 1992, the City Council approved a resolution declaring a Local Budget Emergency which permitted the transfer of most of the City's Economic Uncertainty Reserve to the General Fund to offset budget imbalances. This left the City with an operating reserve of 4 days.

The combination of the State taking the City's property tax assistance funding (AB 8), the decline in traditional revenues, and the projected elimination of our remaining AB 8 funding, results in a budget shortfall for fiscal year 1993-94 of \$5.7 million, with on-going shortfalls for future years.

It has become clear that even when the economy "bounces back," a fundamental restructuring of City government is necessary. The City Council, recognizing the importance of public input in such a restructuring, created the Public Advisory Task Force on City Finances, the "Vision Task Force," to assist in this important process.

VISION TASK FORCE

After an extensive membership recruitment and appointment process, 51 local residents and business people were appointed to serve on the Task Force. The Public Advisory Task Force on City Finances was designed to involve a broadly based cross section of the community in the City's Budget process.

The City Council charged the Vision Task Force to:

- Become educated on the economic and budgetary issues facing local government
- Become familiar with City services, department programs, revenues and expenditures, and budget issues
- Serve as a two-way communication link with the entire community
- Summarize, evaluate, and prioritize the three subcommittees' recommendations and prepare a final recommended program of prioritized funding sources and/or service reductions to serve as a basis for the next three years' budgets

The City Council also determined that the Task Force would consist of three subcommittees, each with a specific charge:

The Subcommittee on City Services/Expenditures was charged to:

- Become educated on City services and become familiar with City service reductions over the last three years
- Identify the City's basic, essential, mandatory and supplemental services and programs
- Evaluate employee compensation policy
- Investigate alternative service delivery options - reinventing government
- Evaluate, prioritize and recommend potential service levels

The Revenue Subcommittee was charged to:

- Explore and evaluate the City's current revenue sources
- Become knowledgeable of the City's use of reserve accounts; and of the City's Redevelopment Agency and Enterprise Funds
- Conduct comparative analysis of East Bay area cities' taxes and other major revenues
- Identify potential new revenue sources and expansion of existing resources

The Disaster Preparedness Subcommittee was charged to:

- Receive a complete orientation of the seismic setting of San Leandro
- Receive a complete orientation on the seismic retrofit of essential facilities study and other proposed community preparedness programs
- Identify and prioritize the City's disaster preparedness elements
- Identify costs and funding options

The first meeting of the Task Force was held on November 10, 1992. The Subcommittees met at least once a week for more than two months. Members were provided extensive information about the City and developed recommendations in each of the three areas to guide the City Council.

THE "VISION PLAN"

The Task Force met as a whole on January 12th and 19th and put the finishing touches on the final comprehensive plan, known as the "Vision Plan," which is described in detail in the following pages.

The Vision Plan suggests a basis for developing financial stability for the City over the next three years and allows the City to continue to provide essential services to the community through a combination of revenue adjustments and service reductions. The Plan also recognizes San Leandro's vulnerability in terms of its seismic location and recommends a multi-year program to improve the community's disaster response capability.

The City Council will utilize these findings and recommendations in its preparation of the 1993-94 City Budget as well as making determinations on the direction of the City's future.

PUBLIC ADVISORY TASK FORCE ON CITY FINANCES

SUB-COMMITTEE FISCAL IMPACTS ANALYSIS

January Update to include Governor's Proposed 1993-94 State Budget

GENERAL FUND TRENDS (11-2-92)		FY 92-93	FY 93-94	FY 94-95	FY 95-96
REVENUES		38,639,550	38,412,035	38,183,410	39,188,540
Less: State Budget Reduction		0	(1,300,000)	0	0
TOTAL REVENUES		38,639,550	37,112,035	38,183,410	39,188,540
TOTAL EXPENDITURES		40,247,019	42,854,089	43,712,031	45,417,272
ANNUAL SURPLUS/(DEFICIT)		(1,607,469)	(5,742,054)	(5,528,621)	(6,228,732)
REF#					
<u>REVENUE ADJUSTMENTS</u>					
1	BUSINESS LICENSE FEES	0	900,000	927,000	955,000
2	UTILITY TAX (1% RESIDENTIAL+CABLE TV)	0	1,000,000	1,040,000	1,080,000
3	PROPERTY TRANSFER TAX (\$2 to \$6)	0	1,100,000	1,270,000	1,440,000
4	STORM WATER UTILITY	0	1,000,000	1,030,000	1,060,000
5	MARINA PARK USER FEE	0	0	600,000	600,000
SUBTOTAL		0	4,000,000	4,867,000	5,135,000
6	TRANSFER PERS LITIGATION RESERVE TO:				
	ECONOMIC UNCERTAINTY	0	2,500,000	700,000	0
	CAPITAL IMPROVEMENT PROGRAM	0	500,000	0	0
<u>SERVICES ADJUSTMENTS</u>					
7	ALL DEPARTMENTS	0	566,166	606,166	660,166
8	CITY MANAGERS OFFICE	0	87,000	87,000	102,000
9	DEVELOPMENT SERVICES	0	254,414	254,414	254,414
10	ENGINEERING AND TRANSPORTATION	0	157,000	97,000	97,000
11	FINANCE	0	91,600	91,600	91,600
12	FIRE	0	827,500	1,077,500	1,077,500
13	LIBRARY	0	83,200	83,200	83,200
14	PERSONNEL	0	47,100	47,100	47,100
15	POLICE	0	529,000	529,000	529,000
16	PUBLIC WORKS SERVICES	0	0	0	0
17	RECREATION	0	150,749	150,749	150,749
SUBTOTAL		0	2,793,729	3,023,729	3,092,729
<u>DISASTER PREPAREDNESS ADJUSTMENTS</u>					
18	DISASTER RESPONSE CAPABILITY	0	(777,000)	(223,000)	(223,000)
19	SEISMIC RETROFIT ESSENTIAL BLDG.	0	(210,000)	(1,096,000)	(1,096,000)
SUBTOTAL		0	(987,000)	(1,319,000)	(1,319,000)
TRANSFER FROM RESERVE FOR					
ECONOMIC UNCERTAINTY		1,600,000	0	0	0
ANNUAL SURPLUS/(DEFICIT)		(7,469)	64,675	1,043,108	679,997
20	RESERVE FOR ECONOMIC UNCERTAINTY	400,000	2,900,000	3,600,000	3,600,000

BALANCING THE GENERAL FUND - VISION PLAN

The following decisive actions provide a basis for financial stability over the next three years and allow the City to continue to provide essential services to the community. These actions balance the City's General Fund budget and help to assure the community's ongoing prosperity. The following elements are enumerated to correspond with the previous summary spreadsheet.

REVENUE ADJUSTMENTS

1. Business License Fee

Licenses and Permits represent approximately 4.5% of total City revenues. The major revenue in the license category is business licenses. The City's business license ordinance was revised January 1, 1988. As provided in the ordinance, business license fees were adjusted in January 1993, to reflect changes in the Consumer Price Index during the past year of approximately 3%. Recommend not raising tax at this time; actively pursuing collections of delinquent and unlicensed businesses; and raising transfer station tax to \$.95/ton (Estimated revenue increase \$900,000).

2. Utility Tax

Utility Tax (\$5,980,000) is the third largest source of revenue for the City at 16%. This source of revenue is estimated to increase by \$1,078,300 in the 1992-93 budget year. As described in the Alternate Financial Plan section of the budget, \$400,000 of this increase is attributable to including a fee on long distance telephone calls. Recommend increasing the residential rate by 1% and including cable TV in the base (estimated revenue increase \$1,000,000).

3. Property Transfer Tax

Property transfer tax (\$550,000) represents 1.4% of City revenue. The 1992-93 property transfer tax revenue is estimated to increase by 27% (\$117,700) over 1991-92, which is an optimistic estimate given the economy and real estate sales. San Leandro's tax is the lowest of any charter city in Alameda County at \$2.00 per \$1,000. Recommend an increase in the rate to \$6.00 per \$1,000 (estimated revenue increase \$1,100,000).

4. Storm Water Utility

As mandated by the Federal Clean Water Act, the City of San Leandro is required to implement a "Non-Point Source Run-Off Control Program". All cities in Alameda County have elected to develop a mutual program to reduce costs. Several cities have adopted or are in the process of adopting storm water utility fees to fund their costs for implementation of the program. Recommend establishing a \$2.00/mo/household storm water utility fee (estimated revenue \$1,000,000).

5. Marina Park User Fee

Park user fees are currently charged for surrounding parks owned and operated by East Bay Regional Park District. The City does not charge user fees for its parks. Recommend a Marina Park User Fee to pay for maintenance and infrastructure enhancements. Charge a \$2/car park entrance fee with a provision for an annual pass. Revenue potentially could be split between the general, golf course and marina funds (estimated revenue of \$600,000 per year to begin FY 94-95).

6. Transfer PERS Litigation Reserve to Economic Uncertainty

The 1991-92 State Budget was balanced, in part, through a one-time repayment of retirement contribution earnings designated for retiree cost of living adjustments. The total amount of funds removed from the retirement system by the State was approximately \$2 billion. In 1991, a coalition of 20 employee organizations brought legal action against the State to prevent the removal of these funds from the retirement system. The California Supreme Court recently ruled in favor of the State. This ruling permits the State and local governments to receive the one time PERS payment.

The City of San Leandro's share of the PERS repayment is about \$3.7 million. The City will receive these funds through a credit to be applied against current retirement contributions. It is anticipated that this credit will be fully utilized by early 1994. It is the recommendation of the Revenue Subcommittee that these one-time funds be added to the Reserve for Economic Uncertainty in order to restore the financial integrity of this crucial reserve account.

On January 12, 1993 the Vision Task Force amended the recommendations of the Revenue Subcommittee to provide for a one-time addition of \$500,000 for the FY 93-94 Capital Improvement Program.

EXPENDITURE/SERVICE ADJUSTMENTS

7. All Departments

- 93-94:
Recommend consolidation of two departments into one department and pooling of secretaries; increasing employee incentives for saving revenue; negotiating the elimination of medicals; reduction in City Council retirement package; negotiating a moratorium on paid management comp time; and negotiating a 5% compensation reduction with management and general employees and evaluate feasibility of two-tier retirement package (\$566,166).
- 94-95:
Recommend consolidation of two more departments (\$40,000).
- 95-96:
Recommend consolidation of two more departments; and incentive for eliminating double coverage on medical benefits (\$54,000).

8. City Manager's Office

- 93-94:
Recommend the elimination of the Finance Analyst position; and \$15,000 in City Clerk's Miscellaneous expenditures (\$87,000).
- 95-96:
Recommend consolidating City elections with Statewide June elections (\$15,000).

9. Development Services

- 93-94:
Recommend to create Low/Moderate Income Neighborhood Improvement Program with HUD funding; revise accounting for Housing Coordinator position; revise accounting to allocate CDBG administrative overhead to HUD; implement housing contract with Alameda County to replace services currently provided by in-house staff; reduce the Transportation/Training budget (Planning Commissioners' Institute); add Project Planner position; eliminate Building Inspector position; eliminate the Planning Aide position; reduce outside plan check contract for URM buildings; reduce Redevelopment contract by 50%; and eliminate the Renewal Coordinator position (\$254,414).

10. Engineering and Transportation

- 93-94:
Recommend to eliminate the Traffic Engineer position; and to defer the Sidewalk Pavement Program for one year (\$157,000).

11. Finance

- 93-94:
Recommend to reduce the Risk Management Analyst position to part-time; to eliminate the Duplicating Services Clerk position; and to eliminate vehicle pool (\$91,600).

12. Fire

- 93-94:
Recommend to eliminate Fire Inspector position; to reduce Clerk/Typist Position to half-time; and to include the reduction of one emergency response apparatus (9 personnel)(\$827,500).
- 94-95:
Recommend that City Council evaluate Fire consolidation with Eden/Castro Valley (\$250,000).

13. Library

- 93-94:
Recommend to eliminate one Book Mender position; and to eliminate Clerk Typist position (\$83,200).

14. Personnel

- 93-94:
Recommend to eliminate the employee briefing/picnic; eliminate Employee Suggestion Program; restructure Service Award Program; reduce Psychological and Management Assessments; reduce miscellaneous services; reduce Employee Development; and reduce one Personnel Analyst position to half-time (\$47,100).

15. Police

- 93-94:
Recommend to eliminate the Switchboard (Telephone System) Operator Position; combine Community Services Officer with Disaster Preparedness; eliminate Police Services Aide Position - Records; eliminate Police Services Aide Position - Traffic; eliminate Clerk Typist - Criminal Investigation; Eliminate Maintenance Worker - Animal Control; eliminate Administrative Specialist Position - Traffic; eliminate Administrative Specialist - Training; and eliminate Administrative Specialist - ID (\$529,000).

16. Public Works Services

- 93-94: no service reductions

17. Recreation and Human Resources

- 93-94:
Recommend to reduce Senior Adult Excursion program; reduce Swim Lessons; reduce Adult Sports Programs; reduce Teen Dances; reduce field services at SL Ballpark; reduce support for Senior Programs; eliminate Administrative Secretary position; reduce School Year Playgrounds (\$150,749).

DISASTER PREPAREDNESS ADJUSTMENTS

18. Disaster Response Capability

In the light of new studies about the City's seismic risk - and our increasingly common experiences with earthquakes - we find that many residents, neighborhoods, schools, and businesses are vulnerable to injury, damage and isolation in a catastrophic earthquake on the nearby Hayward fault. The projects proposed by the Task Force seek to increase the goal of community preparedness and include:

- Additional Disaster Preparedness Staff Member
 - 800 Megahertz Public Safety Radio System
 - Neighborhood Emergency Preparedness and Response Team Training
 - Mobile Communications Center
 - Residential Foundation Retrofit Assistance Program
 - Upgrade of Emergency AM Radio Station and Warning Siren System
 - Neighborhood Disaster Supply Storage Facilities
 - Radio Equipment for EOC
- (Estimated Cost \$777,000 first year; \$223,000 for years 2 through 7; and \$163,000 thereafter)

19. Seismic Retrofit of Essential Buildings

New scientific and engineering studies have revealed that most of the City's essential public buildings are "under-built" for the extreme seismic force levels that earthquakes have recently shown are possible. To protect City employees and citizens from death and injury in these seismically vulnerable facilities and to prevent emergency equipment from being damaged and disabled from the collapse of these buildings during an earthquake, the City's essential facilities must be strengthened. The people and resources in these facilities are vital to the San Leandro community not only for the management, coordination and allocation of the City's emergency response resources in a disaster, but also for the administration of public safety in the disaster aftermath and the community planning, decision-making, permitting and post-disaster reconstruction that must quickly begin. This Task Force recommends that the seismic retrofiting of the City's essential facilities begin.

(Estimated Cost \$210,000 first year; \$1,096,000 years 2 through 30)

RESERVE FOR ECONOMIC UNCERTAINTY

20. Reserve for Economic Uncertainty

The reserve for economic uncertainty is utilized to assure continuation of existing service levels without interruption in the event economic conditions adversely impact City revenues. In the past the City attempted to maintain this reserve at a level of around \$2 million.

Due to current economic conditions and the State budget reductions, it was necessary to withdraw \$1.6 million in order to balance the City's 1992-93 budget. This withdrawal left the reserve with a balance of only \$400,000 which is the equivalent of 4 days operating cost for the City. It is the recommendation of the Revenue Subcommittee to maintain this critical reserve at 10% of the General Fund operating budget or about \$4 million. The addition of the one-time repayment of PERS funds (less \$500,000 for CIP) to this reserve will allow the City to begin moving toward an adequate contingency reserve level.

**SERVICES SUBCOMMITTEE
RECOMMENDATIONS**

Public Advisory Task Force
Services Sub-Committee

Dept	Description	Potential Savings	Recommended Savings			Comments
			Year 1	Year 2	Year 3	
PROJECTED ANNUAL DEFICIT			\$4,442,054	\$5,528,621	\$6,228,732	
SERVICE REDUCTIONS						
ALL DEPARTMENTS		\$592,166	\$566,166	\$606,166	\$660,166	
CITY MANAGERS OFFICE		\$102,000	\$87,000	\$87,000	\$102,000	
DEVELOPMENT SERVICES		\$254,414	\$254,414	\$254,414	\$254,414	
ENGINEERING AND TRANSPORTATION		\$157,000	\$157,000	\$97,000	\$97,000	
FINANCE		\$91,600	\$91,600	\$91,600	\$91,600	
FIRE		\$1,077,500	\$827,500	\$1,077,500	\$1,077,500	
LIBRARY		\$83,200	\$83,200	\$83,200	\$83,200	
PERSONNEL		\$47,100	\$47,100	\$47,100	\$47,100	
POLICE		\$529,000	\$529,000	\$529,000	\$529,000	
RECREATION		\$150,749	\$150,749	\$150,749	\$150,749	
TOTAL REDUCTIONS		\$3,084,729	\$2,793,729	\$3,023,729	\$3,092,729	
UNADDRESSED BALANCE			(\$1,648,325)	(\$2,504,892)	(\$3,136,003)	

Comments Legend:

- 1 = Services Sub-Committee Priority 1 (recommends item be implemented immediately)
- 2 = Services Sub-Committee Priority 2 (recommends item be implemented after Priority 1 items and only if necessary)

Public Advisory Task Force
Services Sub-Committee

Dept	Description	Potential Savings	Recommended Savings			Comments
			Year 1	Year 2	Year 3	
CMO	Reduction in City Clerk Expenditures	\$15,000	\$15,000	\$15,000	\$15,000	1
CMO	Eliminate Finance Analyst position	\$72,000	\$72,000	\$72,000	\$72,000	1
CMO	Consolidate City elections with Statewide June elections	\$15,000	\$0	\$0	\$15,000	1
Sub-Total		\$102,000	\$87,000	\$87,000	\$102,000	
ALL	Consolidate departments and pool secretaries	\$132,000	\$132,000	\$172,000	\$200,000	1
ALL	Eliminate Medicals	\$20,900	\$20,900	\$20,900	\$20,900	1
ALL	Give City employees incentives for saving money	\$22,637	\$22,637	\$22,637	\$22,637	1
ALL	Moratorium year-to-year on paid mgmt comp time	\$100,000	\$100,000	\$100,000	\$100,000	1
ALL	Incentive program to reduce 'double' coverage of medical benefits	\$26,000	\$0	\$0	\$26,000	1
ALL	Reduce salary and benefits package by 5%	\$284,329	\$284,329	\$284,329	\$284,329	1
ALL	Cafeteria style benefits and buy back non-needed benefits at 30%	unknown	unknown	unknown	unknown	1
ALL	Council retirement package review to reduce by 25%	\$6,300	\$6,300	\$6,300	\$6,300	1
Subtotal		\$592,166	\$566,166	\$606,166	\$660,166	

Comments Legend:

- 1 = Services Sub-Committee Priority 1 (recommends item be implemented immediately)
- 2 = Services Sub-Committee Priority 2 (recommends item be implemented after Priority 1 items and only if necessary)

Public Advisory Task Force
Services Sub-Committee

Dept	Description	Potential Savings	Recommended Savings			Comments
			Year 1	Year 2	Year 3	
DEV	Create Low and Mod Improvement Program	\$23,000	\$23,000	\$23,000	\$23,000	1
DEV	Revise Accounting-Housing Coordinator	\$10,917	\$10,917	\$10,917	\$10,917	1
DEV	Revise CDBG Accounting-Admin Overhead	\$8,471	\$8,471	\$8,471	\$8,471	1
DEV	Establish Housing Contract with County	\$0	\$0	\$0	\$0	1
DEV	Reduce Training Budget	\$6,400	\$6,400	\$6,400	\$6,400	1
DEV	Add Project Planner position	(\$50,066)	(\$50,066)	(\$50,066)	(\$50,066)	1
DEV	Reduce Redevelopment Contract by 50%	\$26,000	\$26,000	\$26,000	\$26,000	1
DEV	Eliminate Building Inspector position	\$70,930	\$70,930	\$70,930	\$70,930	1
DEV	Eliminate Planning Aide position	\$53,490	\$53,490	\$53,490	\$53,490	1
DEV	Eliminate Renewal Coord position	\$95,272	\$95,272	\$95,272	\$95,272	1
DEV	Reduce outside plan check-URMs	\$10,000	\$10,000	\$10,000	\$10,000	1
Sub-Total		\$254,414	\$254,414	\$254,414	\$254,414	
E&T	Eliminate Traffic Engineer position	\$97,000	\$97,000	\$97,000	\$97,000	1
E&T	Defer Sidewalk Pavement Program	\$60,000	\$60,000	\$0	\$0	1
Sub-Total		\$157,000	\$157,000	\$97,000	\$97,000	

Comments Legend:

1 = Services Sub-Committee Priority 1 (recommends item be implemented immediately)

2 = Services Sub-Committee Priority 2 (recommends item be implemented after Priority 1 items and only if necessary)

Public Advisory Task Force
Services Sub-Committee

Dept	Description	Potential Savings	Recommended Savings			Comments
			Year 1	Year 2	Year 3	
FIN	Reduce Risk Mgmt Analyst to Pt-time	\$38,000	\$38,000	\$38,000	\$38,000	1
FIN	Eliminate Duplicating Clerk position	\$45,800	\$45,800	\$45,800	\$45,800	1
FIN	Mileage reimbursement vs "City Pool" cars	\$7,800	\$7,800	\$7,800	\$7,800	1
Sub-Total		\$91,600	\$91,600	\$91,600	\$91,600	
FIRE	Eliminate Inspector Position	\$77,000	\$77,000	\$77,000	\$77,000	1
FIRE	Reduction Clerk Typist to Half-time	\$23,500	\$23,500	\$23,500	\$23,500	2
FIRE	Reduce Training Officer Hours-assign to line	\$43,000	\$43,000	\$43,000	\$43,000	1
FIRE	Eliminate One Emergency Response Apparatus (Eng 6/Sta 4)	\$684,000	\$684,000	\$684,000	\$684,000	1
FIRE	Recommend that Council evaluate Fire consolidation w/ Eden/Castro Valley	\$250,000	\$0	\$250,000	\$250,000	1
Sub-Total		\$1,077,500	\$827,500	\$1,077,500	\$1,077,500	
LIB	Eliminate Book Mender position	\$41,592	\$41,592	\$41,592	\$41,592	1
LIB	Eliminate Clerk Typist position	\$41,608	\$41,608	\$41,608	\$41,608	2
Sub-Total		\$83,200	\$83,200	\$83,200	\$83,200	

Comments Legend:

1 = Services Sub-Committee Priority 1 (recommends item be implemented immediately)

2 = Services Sub-Committee Priority 2 (recommends item be implemented after Priority 1 items and only if necessary)

Public Advisory Task Force
Services Sub-Committee

Dept	Description	Potential Savings	Recommended Savings			Comments
			Year 1	Year 2	Year 3	
PERS	Employee Briefing-Picnic	\$6,000	\$6,000	\$6,000	\$6,000	1
PERS	Employee Suggestion Program	\$1,500	\$1,500	\$1,500	\$1,500	1
PERS	Service Award Program-Restructure	\$9,000	\$9,000	\$9,000	\$9,000	1
PERS	Reduce Psychological/Mgmt Assessments	\$3,500	\$3,500	\$3,500	\$3,500	1
PERS	Miscellaneous Services	\$4,350	\$4,350	\$4,350	\$4,350	1
PERS	Employee Development	\$6,000	\$6,000	\$6,000	\$6,000	1
PERS	Reduce Analyst to Half-Time	\$16,750	\$16,750	\$16,750	\$16,750	1
Sub-Total		\$47,100	\$47,100	\$47,100	\$47,100	
POLICE	Eliminate Switchboard Operator	\$43,000	\$43,000	\$43,000	\$43,000	1
POLICE	Combine or Eliminate Com Ser Officer	\$53,000	\$53,000	\$53,000	\$53,000	1
POLICE	Eliminate PSA - Warrants	\$47,000	\$47,000	\$47,000	\$47,000	2
POLICE	Eliminate 1 PSA's - Records	\$47,000	\$47,000	\$47,000	\$47,000	1
POLICE	Eliminate PSA - Traffic	\$47,000	\$47,000	\$47,000	\$47,000	2
POLICE	Eliminate Clerk Typist - Crim Invest	\$43,000	\$43,000	\$43,000	\$43,000	2
POLICE	Eliminate Maint Worker - Animal Control	\$54,000	\$54,000	\$54,000	\$54,000	2
POLICE	Eliminate Admin Specialist - Traffic	\$65,000	\$65,000	\$65,000	\$65,000	2
POLICE	Reduce Admin Spec Training	\$65,000	\$65,000	\$65,000	\$65,000	2
POLICE	Eliminate Admin Spec - ID	\$65,000	\$65,000	\$65,000	\$65,000	2
Sub-Total		\$529,000	\$529,000	\$529,000	\$529,000	

Comments Legend:

1 = Services Sub-Committee Priority 1 (recommends item be implemented immediately)

2 = Services Sub-Committee Priority 2 (recommends item be implemented after Priority 1 items and only if necessary)

Public Advisory Task Force
Services Sub-Committee

Dept	Description	Potential Savings	Recommended Savings			Comments
			Year 1	Year 2	Year 3	
REC	Reduce Sr Adult Excursion Program or make self-supporting	\$12,150	\$12,150	\$12,150	\$12,150	2
REC	Reduce Swim Lessons or make self-supporting	\$5,120	\$5,120	\$5,120	\$5,120	2
REC	Reduce Adult Sports Program	\$11,117	\$11,117	\$11,117	\$11,117	1
REC	Reduce field services at SL Ballpark	\$6,397	\$6,397	\$6,397	\$6,397	2
REC	Reduce Teen Dances	\$2,800	\$2,800	\$2,800	\$2,800	1
REC	Reduce support for Senior Programs	\$2,200	\$2,200	\$2,200	\$2,200	1
REC	Eliminate Admin Secretary position	\$48,436	\$48,436	\$48,436	\$48,436	1
REC	Reduce School Year Playgrounds	\$62,529	\$62,529	\$62,529	\$62,529	2
Sub-Total		\$150,749	\$150,749	\$150,749	\$150,749	

Comments Legend:

- 1 = Services Sub-Committee Priority 1 (recommends item be implemented immediately)
- 2 = Services Sub-Committee Priority 2 (recommends item be implemented after Priority 1 items and only if necessary)

PUBLIC ADVISORY TASK FORCE SERVICES SUB-COMMITTEE IMPACT STATEMENTS

REDUCTIONS IN CITY CLERK'S EXPENDITURES

IMPACT: Will require significant modification to the updating of the Municipal Code, and will result in significant reductions to City Clerk training and memberships, vacation relief, and miscellaneous supplies. (\$15,000)

ELIMINATE FINANCE ANALYST POSITION

IMPACT: This reduction includes the elimination of the Finance Analyst position. The reduction will require the Deputy City Manager to assume most of the financial and budgetary functions performed by the Finance Analyst. Impacts will include an overall reduction in Administration's ability to conduct City Council requested special projects and analysis, as well as reducing the City Manager's ability to prepare long-term financial plans and related programs. (\$72,000)

CONSOLIDATE CITY ELECTIONS WITH STATEWIDE JUNE ELECTIONS

DISCUSSION: The City Clerk is preparing a staff report on the potential for consolidation of the City election with the County-conducted State-primary election. The report will be complete within the next two weeks. The City election is now fully conducted by the City Clerk, utilizing existing staff and some part-time assistance. Elections are extremely complex. The Clerk devotes three to four months to each election. The City election is held on the second Tuesday of April in even-numbered years, in accordance with the City Charter. With approval of an amendment to the Charter by the voters of San Leandro, the date of the election could be changed, and the election could be consolidated with the State-wide primary in June. In order to pursue consolidation, the City Council must send a letter to the County Registrar of Voters asking if the Registrar's Office has the capacity to include San Leandro in the June primary. If the Registrar can conduct the election, the City's April 1994 ballot should contain a measure to amend the City Charter. If the measure is approved, the first consolidated election would be held in June of 1996.

IMPACT: The City also conducts the San Leandro Unified School District's election. Consolidation of the City's election would require that the School District election date be changed and that the School District request that the County Registrar conduct its election. . Some of the activities would still, by law, be handled by the City Clerk. Consolidation would also free City Clerk personnel for other needed projects. It is estimated that consolidation could save

from \$15,000 to \$20,000 (actual figures are still being calculated) in "out-of-pocket" expenses

CONSOLIDATE DEPARTMENTS AND POOL SECRETARIES

Consolidate Departments (e.g. Fin/Pers, PWS/Eng, Rec/Library)

DISCUSSION: The City has historically reorganized its departments to meet the needs of the community. Eight years ago the Community Development Department and Engineering and Transportation functions were merged into a new Community Development Department; and the public works maintenance and WPCP activities were spun off as the Public Works Services Department. Three years ago the Community Development Department was dissolved and reconfigured into three departments; last year the three were restructured to two.

Today, the City has the same number of departments it had in 1977. San Leandro has had the philosophy of maintaining a 'lean' staffing structure. As a result, its department heads are responsible for conducting specific activities and programs; they do not perform purely administrative tasks. Examples include: staffing boards and commissions; conducting labor negotiations; negotiating complex agreements (dredging and Marina development) and representing the City to outside agencies.

Departmental consolidations do not eliminate the tasks required of departmental personnel; there are a number of specific, ongoing and essential activities that will be required of remaining personnel. The goal of departmental consolidations is to maximize the cost-benefit of the more highly paid, and skilled personnel by reducing their number to the effective minimum.

IMPACT: Potential Consolidations include:

Police/Fire - Due to the pending consolidation of the City's fire activities with Alameda County it is premature to review consolidation at this time (however, the same general principles for the other departments discussed below would apply to Police and Fire).

Recreation/Library - These activities are commonly grouped under the 'Leisure Services' heading and have a natural relationship.

Personnel/Finance - These activities, though not historically seen as aligned, have common areas of operations, employee compensation, risk management, computer operations and cost containment which create a clear association.

Engineering and Transportation/Public Works

Services - Many cities still have a combined Public Works Department which includes these functions. Span of control and the issues of technical expertise will create operational difficulties if not addressed.

POTENTIAL COST SAVINGS:

It is difficult to estimate the cost savings of these potential consolidations without specific studies on the potential reconfigurations. Preliminary cost savings estimates are based on the following assumptions: that three of the four consolidations would occur; that they would be phased over a three year period; that the departments would be expected to provide roughly the same level of service to the community, and that the departments would be configured in a format that conformed to generally accepted personnel practices. Based on the above, each department could be expected to reduce its personnel costs by the following:

Downgrade of a Department Head to a Division Head - savings \$20,100 annually.

Downgrade of an Administrative Secretary to Senior Clerk - savings \$4,200 annually.

The annual savings achieved through the combination of the three departments would probably grow by an additional \$25,000 to \$50,000 per year through collateral savings of additional staff downgrades at lower levels and the possible combination or elimination of positions.

Pool Secretaries:

DISCUSSION: In the last two years, the City of San Leandro has eliminated 5 clerical positions -- 33 full-time clerical remain. The work-load of these positions has largely been assumed by remaining clerical staff. Additionally, with the dramatic growth in the use of computers, the City's managers and supervisors have also assumed more of their own typing (it is just as quick for many managers to draft a document onto the computer as it is to dictate or write out). Still, the concept pooling clerical support is a good one warranting further development. This concept is especially valid if further reductions continue; pooling clerical resources will be required. There are several potential ways to utilize secretarial pools.

1. A City-wide pool could be formed to prepare documents which require heavy typing and for documents which are not time sensitive or subject to change at the last minute. The role of clerical support has changed dramatically in the last few years however with the large infusion of automation at the management levels. As a result, managers utilize their clerical support less and less for typing; instead utilizing clerical in

more specialized and technical ways. As such, the City-wide pool may not be as useful as they were in the past in realizing an economy of scale efficiency.

2. Larger departments, consolidated departments or departments sharing a work area could utilize individual clerical staff as a "pool" for the entire department(s).
3. Similarly, the City has already initiated a modified version of a secretarial pool by sharing the time of one Administrative Secretary between two departments - Finance and Personnel. This type of activity seems to have the most immediate potential and potentially could be extended to other departments.

The Personnel Department will be conducting a job analysis study on the typing needs in all City departments to determine which functions might be suitable for a clerical pool/sharing program. This study will take 2 months to perform and analyze -- March 1, 1993.

IMPACT: A City-wide pool requires creation of standard typing for City documents and adherence to strict timelines by document writers. Work areas would need to be created, equipment purchased, etc. Supervision of the pool by a specific department would need to be assigned. It is anticipated that turn-around time on document typing would be reduced.

The modified version of a secretarial pool by sharing the time of a clerical person between two departments has immediate potential, without incurring substantial capital costs. As for implementation of the reduction in clerical, that could either be immediately with layoffs or through attrition deferring maximum savings two years. There is the potential to reduce clerical by 2 to 3 positions for a savings of \$94,000 - \$141,000.

TOTAL ESTIMATED ANNUAL SAVINGS:

First Year	\$132,000
Second Year	172,000
Third/subsequent years	200,000

ELIMINATE MEDICALS

DISCUSSION: The elimination of annual physical examinations for management and non-management employees has been proposed as one of the 10% budget reduction scenarios. Implementation will require collective bargaining with each of the affected bargaining units. Specifically, the General Services employee bargaining unit and the Management Organization bargaining unit. This will be accomplished during the 1993 collective bargaining process.

IMPACT: Elimination of this program will result in a savings to the City of \$20,900 and will require collective bargaining.

GIVE EMPLOYEES INCENTIVES FOR SAVING MONEY

DISCUSSION: The City currently has an Employee Suggestion Committee which gives cash awards or time off for suggestions which save money or increase efficiency. Approximately 12 - 15 awards are given annually. The size of the award averages \$75 - \$100 or a day off work.

The Employee Incentive program is a good program many cities don't use. The program may need reevaluating for larger awards and/or better marketing of the program to employees.

The City has also created an Employee Efficiency Task Force for the same purpose. The City also practices Expenditure Control Budgeting (ECB), allowing City departments to utilize budget savings for projects of interest to the departments.

Staff has also recently begun exploring the use of an employee sick leave incentive program to provide gift certificates of up to \$25 in value to employees who do not use more than 3 days of annual sick leave and up to \$50 in value to employees who do not use more than 1 day of annual sick leave.

IMPACT: The Employee Task Force suggestions are currently being analyzed and savings calculated. It is anticipated that the sick leave program will save an additional \$22,637 in sick leave usage costs.

MORATORIUM YEAR-TO-YEAR ON PAID MANAGEMENT COMPENSATORY TIME

DISCUSSION: The City currently provides a program which recognizes two basic factors. The first factor is the amount of work time a manager devotes to the City which is clearly over and above the normal work schedule. During the Subcommittee's meetings, this has commonly been referred to as "comp time". The second factor is a productivity factor which recognizes the quantity and quality of a manager's work product. The amount of time a manager receives for extraordinary hours of work cannot exceed 40 hours in any one year. This is also true for the productivity factor. Under State law, a moratorium on such a program requires collective bargaining. An alternative, streamlined replacement program could be discussed at the bargaining table. Such a plan could be constructed to be more in line with in the labor market, while eliminating the confusion that may surround the current program.

IMPACT: A modification of the current program to be more in line with the labor market would maintain our competitiveness for attracting and retaining qualified employees.

Elimination of this program would result in a savings to the City of \$100,000 per year. Any modification of the existing program will require collective bargaining.

INCENTIVE PROGRAM TO REDUCE "DOUBLE" COVERAGE FOR MEDICAL BENEFITS

DISCUSSION: The medical plan incentive concept is a viable method to reduce City medical premium costs. As a Personnel Department budget objective for fiscal year 1993-94, a comprehensive plan will be finalized. This plan would propose to return a portion of the monthly contribution to an employee who voluntarily drops a spouse from medical coverage. The finalized plan will need to take into consideration both financial and administrative impacts of the program.

IMPACT: Based upon the incentive model which has been constructed, it is estimated that the City could save approximately \$26,000 in two-party premiums, including incentive payments paid to employees. (\$26,000 in 3rd year)

REDUCE SALARY AND BENEFITS PACKAGE 5%

DISCUSSION: A reduction in employees salary and benefits may be achieved through the collective bargaining process. Under current State law, these items are subject to mandatory collective bargaining. Implementation can be achieved in a variety of ways depending upon whether or not agreement can be reached with the bargaining unit. For example: (1) mutual agreement between the City and its employee associations; or (2) collective bargaining between the parties until an impasse is reached and formally declared, then mediation ending in possible unilateral implementation by the City Council; or (3) for police and fire associations, collective bargaining until an impasse is reached, then presentation of the issue in dispute to an outside arbitrator whose decision is final and binding. Under law, timing for formal discussion with bargaining units needs to coincide with expiration of employee contracts (e.g. Police, 3/1/95; Fire, 6/1/93; General Services, 7/1/93; Management, 7/1/93) or (during the term of a collective bargaining agreement) only upon agreement by the bargaining units to reopen the contracts.

Movement toward increasing employee contribution has already begun. For example, the recently concluded negotiations with the San Leandro Police Officers Association has resulted in an increase in active employee medical premium contribution. Prior to this agreement, employees were paying an average of about 7% (6.7%) of the total monthly premium. Based upon current premium rates, in 1994 police employees will be paying approximately 11% (10.6%) of the total premium.

Similar, if not more, increased employee/retiree payments will be discussed with all remaining bargaining groups as their contracts expire. Additional employee contributions in the

areas of retiree medical, active and retiree dental, and retirement contribution are scheduled to be discussed.

Discussions toward matching the City's current salary levels with the average market value has already begun.

IMPACT: A 5% reduction in salary and benefits for management and general employees, excluding City's share of PERS contribution, is \$284,329. Public Safety employees are not included because of binding arbitration.

In addition, the concept of a 2 Tier Retirement contribution system will be explored with the remaining bargaining units. This proposal will impact new employees who will be required to pay the full employee PERS contribution. For example, based on an average 9% employee turnover rate per year, under a 2 Tier Retirement contribution system, it is estimated the City could realize an estimated savings of about \$125,000 per year.

One issue to be carefully considered when reviewing labor market based salary/benefit data is whether the City will be able to maintain its competitiveness in the labor market. This is an important factor in order for the City to attract and/or retain highly qualified employees now and into the future.

CAFETERIA STYLE BENEFITS AND BUY BACK NON-NEEDED BENEFITS AT 30%

DISCUSSION: The buy-back of non-needed benefits (at 30%) is partially discussed under "Incentive Program to Reduce 'Double' Coverage for Medical Benefits", above. Additional benefit buy-back programs may be explored and developed as appropriate. Cafeteria or flexible benefit (FLEX) programs can be complex. There are various categories and complexities of FLEX. The categories range from "pre-tax contribution", which is the least complex to the more complex which is the "credit-based cafeteria plan". It should be noted that the City already has one of the two least complex choices which allows the employee a choice of 3 medical plans. Careful study and analysis must be done prior to implementation to ensure that the right plan is designed to fit the needs of the organization. This is most effectively done when a joint management-labor team is put together to review, design and implement a plan. During the upcoming collective bargaining process, each bargaining group will be solicited as to their interest in such an endeavor. A joint management-labor team will be put together to design and implement a meaningful program during fiscal year 1993-94.

IMPACT: Cost savings may be realized through a FLEX plan design. These cost savings could be offset, however, by increased administrative costs. A careful comparative analysis must be done to determine if a FLEX plan design will generate more savings than to simply significantly cap the City contribution

rate. Put simply, we may get more savings by continuing to do what we are doing. It is difficult to determine at this time a realistic amount of any savings that could be realized.

COUNCIL RETIREMENT PACKAGE REVIEW & REDUCE BY 25%

DISCUSSION: City Council members are currently eligible to participate in the State retirement system on a voluntary basis. The retirement benefits afforded to Council members are not different than to any other employee eligible to participate in the retirement system. Upon leaving the Council, if a Council member has five years of service in the retirement system and is age 50, he/she can retire and draw a limited retirement allowance. For example, a council member with eight years (2 terms) of service who leaves the Council at age 50 will get, based on their current monthly pay of \$605/mo, a retirement allowance of approximately \$53/mo. Benefits extended to such retired Council members are the same as to any other retired City management employee.

As a policy decision, a review of the "retirement package" can be recommended. Such a review, if conducted, should be based on market data for elected officials from surrounding jurisdictions. Cost for staff to conduct such a survey is estimated at \$600 per salary survey.

IMPACT: A Council member eligible for and retiring under the State retirement system, would be eligible to continue City coverage, until age 65, for dental, 2 party medical, and life insurance (until age 70) which is equivalent to a cost of approximately \$410 per month.

CREATE LOW/MODERATE IMPROVEMENT PROGRAM

IMPACT: Creates Low and Moderate Income Target Neighborhoods and directed rehabilitation outreach program to accompany Community Standards services. The program will provide for HUD reimbursement for services provided to Target Neighborhoods. (\$23,000)

REVISE ACCOUNTING -- HOUSING COORDINATOR

IMPACT: Currently, the Housing Coordinator is funded 25% by the General Fund. The proposed revision would decrease this amount by 15% reallocating the costs to the CDBG program. This revision is justified in order to correctly match funding sources with CDBG economic development program responsibilities. (\$10,917)

REVISE CDBG ACCOUNTING - ADMINISTRATIVE OVERHEAD

IMPACT: Development Services Director and Planning Manager positions

currently supervise the CDBG program as part of their General Fund responsibilities. Revised accounting is proposed to increase CDBG charges to account for the indirect staffing and supervision of the program. (\$8,471)

ESTABLISH HOUSING CONTRACT WITH ALAMEDA COUNTY

IMPACT: The current staff and program would be reorganized into a contractual agreement with the County. This proposal would result in reducing administrative costs from the current rate of 50% to 15% of the total program costs. It is proposed that the Housing staff will be reorganized to take on some of the responsibilities associated with the Housing Coordinator. This proposal would eliminate the Housing Rehabilitation Specialist position. This proposal would shift management responsibilities to lower level, non-management staff. Savings within the CDBG program will allow potential funding of other activities currently within the General Fund.

REDUCE TRAINING BUDGET - PLANNING COMMISSIONERS' INST.

IMPACT: This would eliminate the funding for the Planning Commissioners' Inst. (\$6,400)

ADD PROJECT PLANNER POSITION

IMPACT: The reorganization of the Development Services Department will require an entry level Planning Analyst position to assist in planning analysis, economic development, and Counter responsibilities. The position will be non-management and paid at the Administrative Aide level. The position will be funded 75% General Fund, and 25% CDBG for Economic Development. (Adds \$50,066)

REDUCE REDEVELOPMENT CONTRACT BY 50%

IMPACT: Reduction by 50% of the contract with Bill Waterhouse would result in reduced redevelopment activities and delay potential expansion of the Marina Blvd. and East 14th Street redevelopment area. (\$26,000)

ELIMINATE BUILDING INSPECTOR POSITION

IMPACT: The elimination of the Building Inspector position will place greater burden on the existing staff and may lead to delays in inspections and answering complaints. (\$70,930)

ELIMINATE PLANNING AIDE POSITION

IMPACT: The elimination of this position would reduce the Planning

Division One Stop Counter hours to 3 days/week. The Planning Aide's current public hearing support responsibilities would be transferred to the existing staff, as well as reduced through revisions to the Zoning Code to reduce the actions which require public hearings. (\$53,490)

ELIMINATE RENEWAL COORDINATOR POSITION

IMPACT: Responsibilities will be absorbed by lower-level, non-management Development Services staff. (\$95,272)

REDUCE OUTSIDE PLAN CHECK - URM BUILDINGS

IMPACT: This will increase the plan check time for the remaining URM buildings not yet submitted. (\$10,000)

ELIMINATE TRAFFIC ENGINEER POSITION

IMPACT: The Traffic Engineer time is allocated to planning (10%), design (30%), operations (50%) and maintenance (10%). The elimination of this management position would result in the reduction of traffic engineering activities for the analysis of existing traffic conditions to determine appropriate conditions; in responding to public questions and requests regarding traffic conditions; and for the design of traffic improvements including signals, signs and markings to offset citizen complaints and keep traffic flowing in an efficient manner. (\$97,000)

REDUCTION OF THE CITY-WIDE SIDEWALK REPAIR PROGRAM

IMPACT: The program expenditures relate to administration and inspection and \$120,000 for the City's participation on repairing street tree sidewalk damage (50% participation). Proposal is to defer the program for one year -- not conduct repairs. (\$60,000 - one time)

REDUCE THE RISK MANAGEMENT ANALYST TO PART-TIME

IMPACT: Reduction in activities related to the management of the Self-Insurance Fund. Eliminate active participation as a Board member of the liability pool, California Joint Powers Risk Management Authority (CJPRMA). Eliminate central review and verification of insurance coverages of contractors and lessees. Reduce coordinating efforts and training for department safety committees and departmental personnel (i.e. biomechanics training for Police and Fire held in November, 1991, and June, 1992, and inspection training held in May and June, 1992). Reduce collection efforts for City property damage and loss incidents. (\$38,000)

ELIMINATE DUPLICATING CLERK POSITION

IMPACT: Closes central duplicating services and central office supply stores. Departments would assume duplicating responsibility directly or by outside service. Delivery services will generally be eliminated except for morning mail. Mail sorting, posting of out-going mail and delivery of City Council agendas may be periodically impacted during absences of the remaining part-time personnel. (\$45,800)

MILEAGE REIMBURSEMENT VS "CITY POOL" CARS

DISCUSSION: Only four units in the City's vehicle fleet are reserved for pool use. A majority of the fleet consists of specialized equipment (i.e. Public Works maintenance, fire suppression engines), vehicles assigned to individuals or functions whose assignments require regular field work (i.e. Police patrol, Engineering and Building Regulation inspectors) and a handful permanently assigned to designated personnel (i.e. Mayor, City Manager, Police and Fire Chiefs). This pool consists of two compacts, one mid-size auto and one mini-van. The mini-van is uniquely useful for parcel and library book deliveries. The vehicle pool is parked at City Hall and serves all departments in the Civic Center.

The vehicle pool could be eliminated with employees being required to use their personal automobiles for City business. Present City policy allows auto use reimbursement at 25.5¢ per mile driven. At that amount, some savings can be realized by elimination of the pool. Annual costs for the pool amount to \$13,700 including fuel, maintenance and depreciation. During the past 12 months, these vehicles were driven a total of 23,000 miles. At the established rate, mileage reimbursements would total \$5,900.

IMPACT: Elimination of the vehicle pool realizes some cost savings but has operational consequences. Not all employees have access to personal vehicles for City business. The result to which this impinges on their ability to function in a timely manner impacts productivity. Secondly, most insurance carriers require declarations whenever insured vehicles are used for business purposes. Such use generally increases individual premium costs. Finally, wide scale use of private vehicles for City business should require City confirmation of employee auto coverages. The number of certificates of insurance processed and monitored to adequately transfer this risk could be significant.

Savings estimated at \$7,800 arising from elimination of this vehicle pool must be weighted in comparison with the operational impacts.

ELIMINATE INSPECTOR POSITION

IMPACT: The Fire Inspector position in the Support Services Division of the Fire Department will continue to remain unfilled for the remainder of the 1992/93 budget year. This will necessitate the deployment of mandated inspections to the existing Assistant Fire marshal and Senior Fire Inspector as well as curtailing same-day service of many inquiries. The Inspector position's enterprise fund activities will be necessarily reassigned to maintain income. (\$77,000)

REDUCE CLERK/TYPIST POSITION TO HALF-TIME

IMPACT: The reduction of the Clerk/Typist function for 20 hours a week in Support Services Division will necessitate "completed reports" by individual members of the team and a stronger volunteer personnel reliance to file and answer phones. The hours of operation of the office will need to be analyzed and adjusted. All members of office administration will need to help in maintaining balance of mission of office. (\$23,500)

REDUCE TRAINING OFFICER HOURS - ASSIGN TO LINE

IMPACT: The Training Officer will develop a reduced program to cover only legal and mandated training and safety programs. During six months of the year the Training Officer will design, supervise, and record the programs of the Fire Department. For the remaining six months he will be assigned to line duty as a captain/station commander during which time the Battalion Chief and Captain positions will record and supervise the drills and exercises. Reduces training time for mutual aid and other agencies which impacts our reliance on mutual aid and forecasted catastrophe aid effectiveness. Three months in budget for 92/93. This is an additional three months. (\$43,000)

ELIMINATE ONE EMERGENCY RESPONSE APPARATUS (ENG 6/STA 4)

IMPACT: Reduce the total daily minimum response configuration by one response unit. This would effectively reduce personnel costs by 9 positions (3 captains, 3 engineers, and 3 firefighters). This saving of \$684,000 will be realized at the cost of a reduction in response units available for EMS, fire, or rescue incidents. A phasing or attrition program would be recommended to achieve this goal. (\$684,000)

RECOMMEND TO THE CITY COUNCIL THAT IT EVALUATE FIRE CONSOLIDATION WITH EDEN/CASTRO VALLEY

DISCUSSION: The proposal to consolidate is very timely and can provide the city with immediate and long term cost savings while insuring a level of service and in some areas actually improving the

existing level of service. To implement the consolidation there are several steps that must be completed, a complete financial analysis of the City's fire protection system as well as development of possible consolidation options must be completed first. Once this work is completed the City and the County can begin the negotiations on the final agreement. The City Council is in the process of approving a memorandum of understanding with Alameda County to complete the preliminary financial study and develop potential options. After the district is formally created in July of 1993 the City and County can begin the formal process of developing an agreement. It is anticipated that if the City and County can agree on the terms that the consolidation could be finalized within three to six months.

IMPACTS: By viewing fire protection and EMS delivery on a more regional perspective there are several opportunities to reduce the cost of providing the service. Reduction of management personnel is the first and most obvious area where savings can be realized. Over time the delivery system can be altered through the consolidation of stations and personnel to provide further savings and efficiencies. The specific dollar amounts related to savings will be developed as part of the completion of the financial study and a choice of the best consolidation option for the City to pursue. At this time we estimate a savings of \$200,000 to \$300,000 over the first year.

ELIMINATE BOOK MENDER POSITION

IMPACT: Volunteers will be recruited and trained for this position which will result in lower expertise in book preservation. A longer time period will be required to get new materials out to the public. More books will be discarded prematurely due to lack of mending. (\$41,592)

ELIMINATE CLERK TYPIST

IMPACT: Reduction in clerical support for entire department. This will result in delays preparing reports and correspondence. This will also result in greatly diminished clerical support for the Library Historical Commission and Library Director. (\$41,608)

EMPLOYEE BRIEFING - PICNIC

IMPACT: Combines the annual all employee briefing with the annual city employee picnic. (\$6,000)

EMPLOYEE SUGGESTION PROGRAM

IMPACT: Eliminates the cash incentive program established to recognize employees who have identified ways for the city to reduce costs. (\$1,500)

SERVICE AWARD PROGRAM (RESTRUCTURING)

IMPACT: Restructure the annual service award dinner to a more informal event such as a ceremony done at the department level. Eliminates the cost for banquet room/dinners, entertainment, decorations, door prizes and formal printed programs. (\$9,000)

REDUCE PSYCHOLOGICAL AND MANAGEMENT ASSESSMENTS

IMPACT: Eliminates the use of conducting psychological assessments on new PSA (records) employees and the use of management assessments on new management hires. This reduction will limit the hiring authority on having objective expert information on the suitability of an applicant prior to final selection. (\$3,500)

MISCELLANEOUS SERVICES

IMPACT: Eliminates Testing services for PSA (Jail) and the purchase of a computerized Typing Test program. The elimination of these specialized services will increase staff time required to complete the recruitment and selection process: selected positions will take approximately 20 days longer to be filled. (\$1,445)

Other miscellaneous items include, significantly reducing the number of meetings and seminars to be attended by selected personnel and the elimination of memberships in UI Council, Western Regional Item Bank, & American Training Society. (\$2,905)

EMPLOYEE DEVELOPMENT

IMPACT: Eliminates funds to provide two training workshops for city employees in such areas as business writing, harassment, cultural diversity. (\$6,000)

REDUCE PERSONNEL ANALYST TO HALF-TIME

IMPACT: Increases the time it takes to fill a vacant position by one and one half to two months. In addition, eliminates the capability to continue to provide the following services: Central administration of city wide Employee Development Program will be limited in order to provide adequate professional support on other more immediate personnel issues; restrict in-house day to day monitoring of worker's compensation claims; discontinue administering the employee suggestion program; discontinue monitoring the unemployment insurance claims; limits department's ability to perform

detailed position and/or organization structure studies; will require more involvement from all departments on personnel related matters. Reducing one full time Personnel Analyst position to half time (50%) would be a total savings of \$33,500; however \$16,750 of the total savings will be retained to hire professional personnel for special projects, on an as needed basis. (\$16,750)

ELIMINATE SWITCHBOARD (TELEPHONE SYSTEM) OPERATOR POSITION

IMPACT: This position, paid by the Police Budget, serves all City departments. Automation in the form of "auto-attendant" answering service is a viable alternative. Loss of data entry services into the Police RMS/CAD systems. (\$43,000)

ELIMINATE COMMUNITY SERVICE OFFICER-CRIME PREVENTION POSITION

IMPACT: Neighborhood Watch, Business Watch and other programs will be reduced or eliminated (\$53,000)

ELIMINATE POLICE SERVICES AIDE POSITION - WARRANTS & VICTIM SERVICES

IMPACT: Results in delays processing court orders, due diligence in warrant services, further delay in data entry service. The work demands will not cease. (\$47,000)

ELIMINATE POLICE SERVICES AIDE POSITION - RECORDS

IMPACT: Thirty percent reduction in staff will result in the closure of the Department to public access, for all but eight hours per day. Data entry input, also drastically reduced, will translate to extended delays beyond the current four to five weeks backlog. (\$47,000)

ELIMINATE POLICE SERVICES AIDE POSITION - TRAFFIC

IMPACT: Remaining clerical support to Traffic and Animal Control eliminated. Duties will be shifted to already reduced Records staff and Radio Room. Further data entry delay. (\$47,000)

ELIMINATE TYPIST CLERK POSITION - CRIM INVEST

IMPACT: Reduces clerical support for entire Criminal Investigation Division to one, for 16 investigators, processing 1,000 cases each month. Due to recent volume increases, only active cases are being processed. This priority will have to be adjusted. (\$43,000)

ELIMINATE ANIMAL CONTROL OFFICER POSITION

IMPACT: Instant 50 percent reduction in Program. Limits Animal Control program to five-day, 40-hour coverage. Impact is obvious. (\$54,000)

ELIMINATE ADMINISTRATIVE SPECIALIST POSITIONS: TRAFFIC; TRAINING; IDENTIFICATION

IMPACT: Further delays and more demands on uniform and investigative staff. These positions were created in the 1980's to free Police Officers from administrative tasks.

Impact is far-reaching, from report delays to our inability to process evidence. More Police Officers' time will be taken from their street presence. (3 X \$65,000 = \$195,000)

REDUCE SENIOR ADULT EXCURSION PROGRAM

IMPACT: Seniors can no longer look to the City to organize reasonably priced trips (\$12,150).

REDUCE SWIM LESSONS

IMPACT: Reduces the number of sessions available to residents. (\$5,120)

REDUCE ADULT SPORTS PROGRAMS

IMPACT: Eliminates the opportunity to respond to impromptu field use requests where staff would be needed to open, prep and lock up a field. Also eliminates the potential for special holiday softball tournaments (\$11,117).

REDUCE FIELD SERVICES AT SAN LEANDRO BALL PARK

IMPACT: Eliminates control of the San Leandro Ball Park security by allowing user groups to have their own keys to enter and exit the facility. The potential will increase for field damage and overlap of group use due to lack of staff to monitor the opening and closing, and care of the facility (\$6,397).

REDUCE TEEN DANCES

IMPACT: Reduces the number of scheduled school year dances from eight to four (\$2,800).

REDUCE SUPPORT FOR SENIOR PROGRAMS

IMPACT: Reduces current level of senior program supplies and support services by 35% (\$2,200).

ELIMINATE ADMINISTRATIVE SECRETARY

IMPACT: Clerical support for Department Head will be significantly reduced. Remaining clerical staff will have to assume miscellaneous department support functions. May require consolidation of Recreation and Parks Commission and Human Resources Commission (\$48,436).

REDUCE SCHOOL YEAR PLAYGROUNDS

IMPACT: Reduces traditional after-school playground programs from nine sites to five sites. Will require students from four elementary schools to travel to consolidated sites (\$62,529). In an effort to minimize impact on the community, staff is developing a program to raise additional funds for playground programs by expanding user fees at the San Leandro Ball Park and other recreation facilities.

PUBLIC ADVISORY TASK FORCE SERVICES SUB-COMMITTEE

CHANGE IDEAS CONSIDERED BUT NOT RECOMMENDED

Type	Dept	Description	Potential Savings			Comments
			FY 93-94	FY 94-95	FY 95-96	
A	ALL	Strictly control all staff overtime	\$24,000	\$24,000	\$24,000	dropped
A	ALL	Employee classifications at step 1 w/ \$3000/more & employee pays full PERS	\$198,566	\$397,133	\$1,122,310	not passed
AI	ALL	Evaluate feasibility of 'Golden Handshake' and zero base resulting vacancies	unknown	-	-	
B	ALL	Eliminate medical coverage after retirement	\$0	\$0	\$0	no motion
B	ALL	Reduce retirement; give back 1/2 to employees in way of wage increase	\$0	-	\$0	no motion
B	ALL	All supervisors/dept heads take 10% cut for year (5% cut already inc w/# 81)	\$0	\$0	\$0	no motion
C	ALL	Hire "range rovers" to perform mgmt audit w/ regard to what the City does				
C	ALL	City services to go to 4 day work week (32 hr/wk)				
CI	ALL	Paid time off bank				
CI	ALL	Provide a salary incentive to department's including rank and file to encourage savings				
RG	ALL	Provide services to other jurisdictions to broaden revenue base (RG)	unknown	-	-	
C	CMO	Continue investigating RG's except consolidation with H.A.R.D.				
C	DS	One year moratorium on fines/penalty for major remodeling projects to reassess property				
C	DS	Move City promotion services to Chamber/give funding to Chamber				
CI	DS	Transfer non-mandated services to another organization (e.g. Chamber)				
CI	DS	Change permit fees to a % of cost of projects (re: Gaebler & reinventing gov't)				

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- CI = Change Idea generated by Services Sub-Committee
- REV = Referred to Revenue Sub-Committee
- PR10 = 10% Potential Reduction as prepared by Department Heads
- INFO = More information or a study is needed to determine cost-savings
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**PUBLIC ADVISORY TASK FORCE
SERVICES SUB-COMMITTEE**

CHANGE IDEAS CONSIDERED BUT NOT RECOMMENDED

Type	Dept	Description	Potential Savings			Comments
			FY 93-94	FY 94-95	FY 95-96	
REV	DS	Change permit fees to percentage of the cost of project	\$0	\$0	\$0	
REV	DS	Lease out downtown parking building	\$0	\$0	\$0	
REV	DS	Form (HCDA) business to fund community groups	\$0	\$157,000	\$157,000	
B	E&T	Put out to bid all landscape maintenance	\$0	\$0	\$0	not passed
B	E&T	One year moratorium on capital improvement projects (mtce)	\$0	-	-	dropped
C	E&T	Eliminate Traffic Improvement program (signals, etc.)				
C	E&T	Put half of capital improvement funds into general funds (one-time)				
C	E&T	Eliminate planning for Traffic Improvement				
CI	E&T	Can we sell bonds to refinance Enterprise Fund loans so interest rate is less than 8%?				
PR10	E&T	Eliminate Engineering Aide position	\$45,000	\$45,000	\$45,000	
REV	E&T	Provide Engr and proj mgnt services to other cities	unknown	-	-	
RG	E&T	Regional overlay and slurry seal project (RG)	unknown	-	-	
AI	FIN	Study outside firm to do payroll	unknown	-	-	
C	FIN	Do NOT use bond proceeds for current expenses				
C	FIN/CMO	Put half general fund depreciation reserves into general fund (one-time)				
CI	FIN	Explain "other" category in budget document.				

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PUBLIC ADVISORY TASK FORCE SERVICES SUB-COMMITTEE

CHANGE IDEAS CONSIDERED BUT NOT RECOMMENDED

Type	Dept	Description	Potential Savings			Comments
			FY 93-94	FY 94-95	FY 95-96	
CI	FIN	City owes itself \$14M; pay it off				
CI	FIN	Review salary increases over last decade in budget				
CI	FIN	Explain why budget increases have happened and what mandated commitments have occurred and must be met.				
CI	FIN	Make non-performing assets perform (ex. corp yard, any vacant land)				
INFO	FIN	Review consultant work and status of work completion	N/A	N/A	N/A	
INFO	FIN	List Consultants over past year incl salaries, services, etc.	N/A	N/A	N/A	
PR10	FIN	Reduce Admin Sec to Pt-time Sr Clerk	\$35,600	\$35,600	\$35,600	
REV	FIN	Marina High housing estimates to revenue projections	\$0	\$60,000	\$60,000	
REV	FIN	Take \$300,000 from Information Services from depreciation (one-time shot)				
REV	FIN	Evaluate all non-resident use fees for all City facilities				

C	FIRE/PD	Cross training for Police and Fire				
C	FIRE	Combine Fire training facility with others in area				
C	FIRE	Do NOT consolidate Fire with Eden/Castro Valley				
CI	FIRE	Different governing body for Fire consolidation				
CI	FIRE	Training site sharing/consolidation				
AI	FIRE	Change Fire response protocol to lower level of effort	unknown	-	-	
PR10	FIRE	Reduce Payment-Apparatus Acquisition Fund	\$45,000	\$45,000	\$45,000	

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PUBLIC ADVISORY TASK FORCE
SERVICES SUB-COMMITTEE

CHANGE IDEAS CONSIDERED BUT NOT RECOMMENDED

Type	Dept	Description	Potential Savings			Comments
			FY 93-94	FY 94-95	FY 95-96	
AI	LIB	Library system to combine with schools; close branches	\$0	\$0	\$0	
AI	LIB	Move Manor branch to Marina Community Ctr; sell property	\$0	\$0	?	
AI	LIB	Move South branch to Bayfair as a multi-use facility	\$0	\$0	\$0	
AI	LIB	Reduce hours at Library branches-share staff				
C	LIB	Study closing of Library branches, swimming pools & Fire stations				
C	LIB	Charge a nominal membership for Library card				
C	LIB	Get rid of Casa Peralta				
C	LIB	Research usage at Library branches (esp. 147th)				
C	LIB	Close all branches; apply 1/2 savings to books				
CI	LIB	Analyze cost savings of relocating Manor Branch into Marina Community Center				
CI	LIB	Are we overbooked? Is there a waiting list?				
CI	LIB	Divest Casa Peralta				
CI	LIB	Close branch libraries and move services to schools.				
CI	LIB	Budget increase 200% over last 3 years; explain why.				
CI	LIB	How many non-resident card holders are there?				
CI	LIB	Library's support for school in acquisitions - what is fiscal impact?				
CI	LIB	Combine City and School Library systems				

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**PUBLIC ADVISORY TASK FORCE
SERVICES SUB-COMMITTEE**

CHANGE IDEAS CONSIDERED BUT NOT RECOMMENDED

Type	Dept	Description	Potential Savings			Comments
			FY 93-94	FY 94-95	FY 95-96	
CI	LIB	Could we charge nominal fees for special programs?				
CI	LIB	Feasibility and cost of opening Main Library 1/2 day on Sunday w/ volunteers?				
CI	LIB	Provide written analysis of budget savings possible from branch closings				
CI	LIB	Set up standalone Recreation/Library District: necessary benefits vs. assessment costs				
CI	LIB	Complete annual maintenance costs for Casa Peralta including taxes				
PR10	LIB	Close South Branch Library	\$53,749	\$53,749	\$53,749	
PR10	LIB	Reduce Main Library Hours	\$0	\$0	\$96,643	
C	PERS	Restructure employee service award program				
C	POLICE	Charge small fee for crime prevention activities				
C	POLICE	Reduce Police Bureau of Services by 10%				
C	POLICE	Consolidate PD and Sheriff Department if Fire consolidation works				
C	PD/FIRE	Consider merging Fire and Police departments				
CI	POLICE	Evaluate pay back period for cross-training of Police and Fire				
PR10	POLICE	Eliminates PSA - Property Sec	\$47,000	\$47,000	\$47,000	
PR10	POLICE	Reduce Crossing Guard Program	\$53,000	\$53,000	\$53,000	
PR10	POLICE	Eliminate 6 Police Officers	\$450,000	\$450,000	\$450,000	

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PUBLIC ADVISORY TASK FORCE

SERVICES SUB-COMMITTEE

CHANGE IDEAS CONSIDERED BUT NOT RECOMMENDED

Type	Dept	Description	Potential Savings			Comments
			FY 93-94	FY 94-95	FY 95-96	
PR10	POLICE	Eliminate PSA - Crime Analysis	\$57,000	\$57,000	\$57,000	
PR10	POLICE	Eliminate Clerk Typist - Animal Control	\$43,000	\$43,000	\$43,000	
C	PWS	Teenage violators to perform park maintenance work				
C	PWS	Consolidate sewage treatment with Hayward, Union City, Fremont, Castro Valley				
CI	PWS	Privatize Golf Course				
CI	PWS	Privatize garbage collection				
CI	PWS	Privatize Sanitation				
CI	PWS	What is the cumulative net to General Fund from franchise fees?				
CI	PWS	Why the increase in Salary/Benefits (Fleet Mgmt)				
CI	PWS	Research use of natural gas for fleet				
CI	PWS	Research ordinance re: no parking during street cleaning days				
CI	PWS	Convert excess property assets to capital				
CI	PWS	Contribution to General Fund from Enterprise Funds?				
PR10	PWS	Turn off residential/low volume streetlights	\$160,000	\$160,000	\$160,000	
PR10	PWS	Implement switching of traffic signals	\$0	\$0	\$0	already done
PR10	PWS	Close 3 Swimming Pools	\$201,356	\$201,356	\$201,356	

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PUBLIC ADVISORY TASK FORCE

SERVICES SUB-COMMITTEE

CHANGE IDEAS CONSIDERED BUT NOT RECOMMENDED

Type	Dept	Description	Potential Savings			Comments
			FY 93-94	FY 94-95	FY 95-96	
PR10	PWS	Close SL Ballpark & Cease Softball	\$0	\$0	\$107,745	
REV	PWS	Expand garbage service to Washington Manor and charge franchise fee				
C	REC	Merge Recreation with H.A.R.D.				
C	REC	Privatization of Recreation				
CI	REC	Make Recreation Department enterprise funds cover other recreation services				
CI	REC	Make Recreation self-supporting by raising fees				
CI	REC	Corporate sponsorship (like PG&E in Hayward) for Recreation playground programs				
CI	REC	Report on Marina Community Center operating expense consequences				
CI	REC	Combine Library and Recreation Departments: Financial Savings?				
CI	REC	Another year round pool?				
CI	REC	Get minor league team to San Leandro				
CI	REC	Report on effect of complete privatization of Golf Course				
CI	REC	Feasibility of charging non-residents for usage of Shoreline Recreational Area				
PR10	REC	Reduce Annual Facility Rental	\$0	\$0	\$0	already done
PR10	REC	Eliminate After-School Homework Club	\$8,357	\$8,357	\$8,357	
REV	REC	Charge for Marina Park use				

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Public Advisory Task Force – Services Sub-Committee Recommended Department Reductions

City Managers Office
Development Services
Engineering and Transportation
Finance
Fire
Library
Personnel
Police
Public Works
Recreation

Total Recommended Reductions

Voting Legend

- 1 – Implement recommendation now
- 2 – Implement recommendation only after all '1' priorities have been taken and only if necessary
- 3 – DO NOT implement recommendation
- Abs – Members that did not vote
- Yes – Recommend item to Task Force
- No – DO NOT recommend item to Task Force

Public Advisory Task Force – Services Sub-Committee

Recommended Department Reductions

		Sub-Committee Voting Results						Comments
Dept	Service Reductions	1	2	3	Abs	Total	%	
CMO	Reduction in City Clerk Expenditures	17	0	0	0	17	100%	
CMO	Eliminate Finance Analyst position	16	0	1	0	17	94%	
		Sub-Committee Voting Results						
		Yes	No	Abs		Total	%	
CMO	Consolidate City elections w/ Statewide June elections	16	0	0		16	100%	
Department Totals								

		Sub-Committee Voting Results					
		Yes	No	Abs		Total	%
ALL	Consolidate departments and pool secretaries	16	0	0		16	100%
ALL	Eliminate medicals	15	0	1		15	100%
ALL	Give City employees incentives for saving money	16	0	0		16	100%
ALL	Moratorium year-to-year on paid mgmt comp time	16	1	0		17	94%
ALL	Incentive program to reduce 'double' coverage of medical benefits	14	2	1		16	88%
ALL	Cafeteria style benefits and buy back non-needed benefits at 30%	14	2	1		16	88%
ALL	Reduce salary and benefits package by 5%	12	3	2		15	80%
ALL	Council retirement package review to reduce by 25%	9	5	2		14	64%
Department Totals							

Voting Legend

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2 – Implement recommendation only after all '1' priorities have been taken and only if necessary

3 – DO NOT implement recommendation

Abs – Members that did not vote

Yes – Recommend item to Task Force

No – DO NOT recommend item to Task Force

Public Advisory Task Force – Services Sub-Committee

Recommended Department Reductions

Dept	Service Reductions	Sub-Committee Voting Results					
		1	2	3	Abs	Total	%
DEV	Create Low and Mod Improvement Program	10	7	0	0	17	59%
DEV	Revise Accounting-Housing Coordinator	16	0	0	1	16	100%
DEV	Revise CDBG Accounting-Admin Overhead	17	0	0	0	17	100%
DEV	Establish Housing Contract with County	16	1	0	0	17	94%
DEV	Reduce Training Budget	10	1	6	0	17	59%
DEV	Add Project Planner position	12	3	1	1	16	75%
DEV	Reduce Redevelopment Contract by 50%	12	3	0	2	15	80%
DEV	Eliminate Building Inspector position	9	6	2	0	17	53%
DEV	Eliminate Planning Aide position	9	3	4	1	16	56%
DEV	Eliminate Renewal Coord position	16	1	0	0	17	94%
DEV	Reduce outside plan check-URMs	15	2	0	0	17	88%

Department Totals

		Sub-Committee Voting Results					
		Yes	No	Abs		Total	%
E&T	Eliminate Traffic Engineer position	15	0	1		15	100%
E&T	Defer Sidewalk Pavement Program	13	4	0		17	76%

Department Totals

Voting Legend

1 – Implement recommendation now

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3 – DO NOT implement recommendation

Abs – Members that did not vote

Yes – Recommend item to Task Force

No – DO NOT recommend item to Task Force

Public Advisory Task Force – Services Sub-Committee

Recommended Department Reductions

		Sub-Committee Voting Results					
Dept	Service Reductions	1	2	3	Abs	Total	%
FIN	Reduce Risk Mgmt Analyst to Pt-time	17	0	0	0	17	100%
FIN	Eliminate Duplicating Clerk position	16	1	0	0	17	94%
FIN	Reduce Admin Sec to Pt-time Sr Clerk	0	7	9	0	16	56%
		Sub-Committee Voting Results					
		Yes	No	Abs		Total	%
FIN	Mileage reimbursement vs "City pool" cars	16	0	0		16	100%
Department Totals							

		Sub-Committee Voting Results					
		1	2	3	Abs	Total	%
FIRE	Reduce Payment-Apparatus Acquisition Fund	6	3	8	0	17	47%
FIRE	Eliminate Inspector Position	15	2	0	0	17	88%
FIRE	Reduction Clerk Typist to Half-time	4	7	6	0	17	41%
FIRE	Reduce Training Officer Hours-assign to line	10	6	0	1	16	63%
		Sub-Committee Voting Results					
		Yes	No	Abs		Total	%
FIRE	Eliminate one Emergency Response Apparatus (Eng6/Sta4)	15	1	0		16	94%
FIRE	Recommend that Council evaluate Fire consolidation	16	0	0		16	100%
	with Eden/Castro Valley						
Department Totals							

Voting Legend

1 – Implement recommendation now

2 – Implement recommendation only after all '1' priorities have been taken and only if necessary

3 – DO NOT implement recommendation

Abs – Members that did not vote

Yes – Recommend item to Task Force

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Public Advisory Task Force – Services Sub-Committee

Recommended Department Reductions

Dept	Service Reductions	Sub-Committee Voting Results					
		1	2	3	Abs	Total	%
LIB	Close South Branch Library	0	0	16	1	16	100 %
LIB	Eliminate Book Mender position	15	1	1	0	17	88 %
LIB	Eliminate Clerk Typist position	2	9	6	0	17	53 %
LIB	Reduce Main Library Hours	0	3	14	0	17	82 %

Department Totals

		Sub-Committee Voting Results					
		1	2	3	Abs	Total	%
PERS	Employee Briefing-Picnic	16	1	0	0	17	94 %
PERS	Employee Suggestion Program	16	1	0	0	17	94 %
PERS	Service Award Program-Restructure	16	1	0	0	17	94 %
PERS	Reduce Psychological/Mgmt Assessments	16	1	0	0	17	94 %
PERS	Miscellaneous Services	16	1	0	0	17	94 %
PERS	Employee Development	16	1	0	0	17	94 %
PERS	Reduce Analyst to Half-Time	16	1	0	0	17	94 %

Department Totals

Voting Legend

1 – Implement recommendation now

2 – Implement recommendation only after all '1' priorities have been taken and only if necessary

3 – DO NOT implement recommendation

Abs – Members that did not vote

Yes – Recommend item to Task Force

No – DO NOT recommend item to Task Force

Public Advisory Task Force – Services Sub-Committee

Recommended Department Reductions

Dept	Service Reductions	Sub-Committee Voting Results					
		1	2	3	Abs	Total	%
POLICE	Reduce Crossing Guard Program	2	7	8	0	17	47%
POLICE	Eliminate Switchboard Operator	12	4	0	1	16	75%
POLICE	Combine or Eliminate Com Ser Officer	16	1	0	0	17	94%
POLICE	Eliminate PSA – Warrants	4	10	3	0	17	59%
POLICE	Eliminate Clerk Typist – Animal Control	1	5	11	0	17	65%
POLICE	Eliminate 1 PSA's – Records	9	2	5	1	16	56%
POLICE	Eliminate PSA – Traffic	2	11	3	1	16	69%
POLICE	Eliminate Clerk Typist – Crim Invest	4	7	5	1	16	44%
POLICE	Eliminate PSA – Crime Analysis	1	0	14	2	15	93%
POLICE	Eliminate Maint Worker – Animal Control	3	10	3	1	16	63%
POLICE	Eliminate PSA – Property Sec	1	1	14	1	16	88%
POLICE	Eliminate Admin Specialist – Traffic	1	9	4	2	14	64%
POLICE	Eliminate Admin Spec Training	1	9	4	2	14	64%
POLICE	Eliminate Admin Spec – ID	1	9	4	2	14	64%
POLICE	Eliminate 2 Police Officers	1	4	11	0	16	69%

Department Totals

		Sub-Committee Voting Results					
		1	2	3	Abs	Total	%
PWS	Close 3 Swimming Pools	1	5	10	0	16	63%
PWS	Close SL Ballpark & Cease Softball	0	2	14	0	16	88%
PWS	Turn off residential/low volume streetlights	8	3	5	0	16	50%

Removed by full Task Force by vote of 41 to 4

Department Totals

Voting Legend

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3 – DO NOT implement recommendation

Abs – Members that did not vote

Yes – Recommend item to Task Force

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Public Advisory Task Force – Services Sub-Committee
Recommended Department Reductions

Dept	Service Reductions	Sub-Committee Voting Results					
		1	2	3	Abs	Total	%
REC	Reduce Sr Adult Excursion Program	7	9	0	0	16	56%
REC	Reduce Swim Lessons	4	9	3	0	16	56%
REC	Eliminate After-School Homework Club	0	5	10	1	15	67%
REC	Reduce Adult Sports Program	13	3	0	0	16	81%
REC	Reduce field services at SL Ballpark	4	9	2	1	15	60%
REC	Reduce Teen Dances	7	7	2	0	16	44%
REC	Reduce support for Senior Programs	8	7	1	0	16	50%
REC	Eliminate Admin Secretary position	11	3	0	2	14	79%
REC	Reduce School Year Playgrounds	4	11	1	0	16	69%

Department Totals

Voting Legend

1 – Implement recommendation now

2 – Implement recommendation only after all ‘1’ priorities have been taken and only if necessary

3 – DO NOT implement recommendation

Abs – Members that did not vote

Yes – Recommend item to Task Force

No – DO NOT recommend item to Task Force

REVENUE SUBCOMMITTEE RECOMMENDATIONS

PUBLIC ADVISORY TASK FORCE
REVENUE SUB-COMMITTEE
REVENUE SUMMARY

DESCRIPTION	1993/94
PROPOSED REVENUE INCREASES	
1. BUSINESS LICENSE FEE	\$ 900,000
◦ Increase transfer station fee to \$.95/ton	
◦ Do not raise tax at this time for other categories	
◦ Actively pursue collections of delinquent and unlicensed businesses	
2. UTILITY TAX	1,000,000
◦ Raise residential rate from 5.0% to 6.0% and include Cable TV as part of the base. Represents an increase of approximately \$1.20 per month for the average residential utility bill (gas, electric and telephone). Including Cable TV in the utility tax base adds \$2.20 to the average monthly service cost.	
3. PROPERTY TRANSFER TAX	1,100,000
◦ Increase rate from \$2.00 to \$6.00 per \$1,000	
◦ Alternative: Raise to \$4.50 first year and \$6.00 second year so that San Leandro is slightly above the lowest rate in the area (\$4.40). Alternative option would generate \$900,000 for FY 1993/94	
4. STORM WATER UTILITY FEE	1,000,000
◦ Establish an assessment on each property of about \$2 per month for residential parcel, \$13 per month per acre for apartments and institutional parcels, and \$17 per month per acre for commercial parcels. Full Task Force recommendations include an exemption for low income property owners.	
5. MARINA PARK USER FEE	0
◦ Charge a park entrance fee of \$2/car (kiosk concept) to maintain the Marina area. Committee recommends City to study this concept including the revenue split between the General, Golf and Marina Funds. Estimate assumes annual pass considerations and free employee entrance. This new fee is projected to generate a net amount of \$600,000 per year commencing in FY 1994/95.	
TOTAL PROPOSED REVENUE INCREASES	<u>\$4,000,000</u>

PUBLIC ADVISORY TASK FORCE
REVENUE SUB-COMMITTEE
REVENUE SUMMARY

DESCRIPTION	1993/94
6. ECONOMIC UNCERTAINTY RESERVE	<u>\$2,500,000</u>
◦ Add \$2.5 million to this reserve from the PERS litigation reserve and additional \$700,000 in FY 1994/95	
CAPITAL IMPROVEMENT PROGRAM RESERVE	<u>\$ 500,000</u>
◦ Add \$500,000 to the reserve from the PERS litigation reserve.	

REVENUE SUMMARY

1. BUSINESS LICENSE FEE

Licenses and Permits represent approximately 4.5% of total City revenues. The major revenue in the license category is business licenses. The City's business license ordinance was revised January 1, 1988. As provided in the ordinance, business license fees will be adjusted in January 1993, to reflect changes in the Consumer Price Index during the past year of approximately 3%.

<u>Revenue Trends</u>	<u>Actual 1990-91</u>	<u>Actual 1991-92</u>	<u>Estimated 1992-93</u>
Business Licenses	\$ 816,590	\$ 792,200	\$925,000

Comparative Analysis

City	1991-92 FY	# of Business Licenses 91-92 FY	1991-92 FY Fee Per Business License
Alameda	\$ 1,014,935	6,200	\$ 164
Albany	229,581	1,500	153
Berkeley	6,200,000	14,000	443
Dublin	61,504	1,480	42
Emeryville ¹	1,085,740	--	--
Fremont	2,416,000	11,000	220
Hayward	1,300,000	9,700	134
Livermore	945,000	4,004	236
Newark	537,541	2,500	215
Oakland	23,152,306	46,700	496
Piedmont	156,000	990	158
Pleasanton ²	950,000	6,000	158
San Leandro	792,255	6,691	118
Union City ³	254,491	1,400	182
¹ Computer system does not count licenses issued. Must be hand tabulated. ² In 1992, changed from fiscal year term to calendar year term. Businesses given choice of paying in 6 mo. installments or in lump sum for 18 months. In 1992-93 anticipate significant increase in revenue which will level off in 1993-94. ³ Estimate on # of permits. Computer system does not tabulate.			

Revenue Increase Impacts

A \$1 increase in the base fee for business license tax represents approximately \$6,500 in revenue to the City. Rough estimates have the City realizing an additional \$1.5 million in revenue if the tax was based on gross receipts.

Committee Recommendation

1. Do not raise tax at this time.
2. Actively pursue collections of delinquent and unlicensed businesses.
3. Raise transfer station fee to \$.95/ton (Estimated revenue increase \$900,000).

REVENUE SUMMARY

2. UTILITY TAX

Utility Tax (\$5,980,000) is the third largest source of revenue for the City at 16%. This source of revenue is estimated to increase by \$1,078,300 in the 1992-93 budget year. As described in the Alternate Financial Plan section of the budget, \$400,000 of this increase is attributable to including a fee on long distance telephone calls.

<u>Revenue Trends</u>	<u>Actual 1990-91</u>	<u>Actual 1991-92</u>	<u>Estimated 1992-93</u>
Utility Tax	4,797,697	4,901,700	5,980,000

Comparative Analysis

UTILITY USERS' TAX - ALAMEDA COUNTY CITIES As of 11/24/92						
City	Electric	Gas	Telephone	Water	Cable	Cap
Alameda	5.5	5.5	5.5	---	5.0	---
Albany	5.5	5.5	5.5	---	---	---
Berkeley	7.5	7.5	7.5	---	---	---
Emeryville	5.5	5.5	5.5	---	---	---
Oakland	6.85	6.85	6.85	---	---	---
Piedmont	7.5	7.5	7.5	7.5	7.5	---
San Leandro:						
o Residential	5.0	5.0	5.0	---	---	---
o Business	6.0	6.0	6.0	---	---	2% after \$18,000

Revenue Increase Impacts

A 1% increase in utility tax represents approximately \$825,000 in revenue to the City.

Committee Recommendation

1. Raise residential rate by 1% and include cable TV in the base. Estimated revenue increase is \$1,000,000 which represents an increase of approximately \$1.20 per month for the average residential utility bill; adds \$2.20 per month to the average cost of Cable TV services.

REVENUE SUMMARY

3. PROPERTY TRANSFER TAX

Property transfer tax (\$550,000) represents 1.4% of City revenue. The 1992-93 property transfer tax revenue is estimated to increase by 27% (\$117,700) over 1991-92, which is an optimistic estimate given the economy and real estate sales. San Leandro's tax is the lowest of any charter city in Alameda County at \$2.00 per \$1,000.

<u>Revenue Trends</u>	<u>Actual 1990-91</u>	<u>Actual 1991-92</u>	<u>Estimated 1992-93</u>
Property Transfer Tax	557,368	432,300	550,000

Comparative Analysis

REAL PROPERTY TAX	
City	Real Property
Alameda	\$4.40 per \$1,000 **
Albany	\$4.40 per \$1,000 **
Berkeley	\$15.50 per \$1,000 **
Hayward	\$4.50 per \$1,000 *
Oakland	\$12.50 per \$1,000 **
Piedmont	\$6.50 per \$1,000 **
San Leandro	\$2.00 per \$1,000 **
* In addition to the City tax, Alameda County imposes a matching charge of \$.55 per \$1,000.	
** In addition to the City tax, Alameda County imposes a separate charge of \$1.10 per \$1,000.	

Revenue Increase Impacts

A \$1 increase in property transfer tax is estimated to generate additional revenue of \$275,000.

Committee Recommendations:

1. Increase rate to \$6.00 per \$1,000 (estimated revenue increase \$1,100,000 for FY 1993-94).

REVENUE SUMMARY

4. STORM WATER UTILITY

As mandated by the Federal Clean Water Act, the City of San Leandro is required to implement a "Non-Point Source Run-Off Control Program". All cities in Alameda County have elected to develop a mutual program to reduce costs. Several cities have adopted or are in the process of adopting storm water utility fees to fund their costs for implementation of the program.

Comparative Analysis

CITY	1992-93 F.Y.	1993-94 F.Y.
Alameda	\$20.00	*
Berkeley	50.00	*
Dublin	14.62	*
Hayward	14.80	*
Livermore	18.00	*
Pleasanton	14.00	*
San Leandro	0	24.00
* To be adjusted to meet Federal requirements effective July 1, 1993.		

Committee Recommendations

1. Recommend establishing a (\$2.00/mo/household) storm water utility fee. The monthly charge for parcels other than single family homes is based on land size. The monthly charge for apartments, condominiums and institutional parcels is about \$13 per acre. The monthly charge for commercial parcels is \$17 per acre. Estimated revenue is \$1,000,000 for F.Y. 1993-94.
2. The Vision Task Force has also recommended that the City adopt an exemption for low-income property owners.

REVENUE SUMMARY

5. MARINA PARK USER FEES

Park user fees are currently charged for surrounding parks owned and operated by East Bay Regional Park District. The City does not charge user fees for its parks. The committee has discussed specific areas pertaining to fees for City parks as follows:

Marina Park User Fee

Charge a park entrance fee for Marina park to pay for upkeep and infrastructure enhancements.

Revenue Increase Impacts

A \$1/car entrance fee is anticipated to generate \$300,000 per year (rough estimate).

Committee Recommendation

1. Charge a \$2/car park entrance fee with a provision for an annual pass. Revenue split between the general, golf course and marina funds to be decided. Anticipated revenue of \$600,000 per year.

PUBLIC ADVISORY TASK FORCE - REVENUE SUB-COMMITTEE
LONG TERM PROPOSALS - SUMMARY

DESCRIPTION

- A. SALES TAX
 - 1. Encourage "Shop San Leandro" Program
 - 2. Encourage an economic development program
- B. PROPERTY TAX
 - 1. Monitor legal suits brought by other cities re: the current state allocation formula and join with those cities when appropriate.
- C. PRIVATIZATION OF REFUSE
 - 1. Do not privatize but explore the possibility of expansion into the Oro Loma area.
 - 2. Explore the possibility of an assessment district for recycling mandates.
- D. GOLF COURSE FEES
 - 1. Fees should be comparable to other public golf courses. Management should pursue (a) privatization of maintenance and (b) increase of the fee base to include replacement of the infrastructure, if possible.
- E. AMBULANCE SERVICES/PARAMEDIC PROGRAM
 - 1. Pursue ambulance service as planned and include this revenue in 1996/97 to defray any revenue increases.
- F. SURPLUS PROPERTY (MAKE NON-PERFORMING ASSETS PERFORM/LEASE NOT SELL CITY LAND WHERE POSSIBLE/EXPAND BUSINESS ENTERPRISES ON CITY PROPERTY)
 - 1. Prepare a list of all surplus City property and pursue the sale and/or lease (long-term land leases) of these properties. Utilize the revenues from these properties for capital improvement needs.
 - 2. Do not assess a franchise fee upon non-profit agencies utilizing City property.
- G. LOAN REFINANCING (CONVERT MARINA LOAN TO BOND ISSUE/CONVERT DEBT SERVICE TO BOND)
 - 1. Do not pursue at this time
- H. DEBT FINANCING (CREATE LIBRARY & RECREATION DISTRICT/BENEFIT ASSESSMENT/MELLO ROOS/ETC)
 - 1. Do not pursue an assessment district or mello roos community facilities district for highly desirable services (e.g. public safety, library or recreation) at this time.
- I. TAKE \$300,000 FROM GARAGE DEPRECIATION AND FROM IMS DEPRECIATION
 - 1. Do not eliminate depreciation funding.
- J. DISASTER PREPAREDNESS FINANCING
 - 1. Propose a General Obligation bond for approximately \$12 million (\$30/year) for the specific purpose of retrofit. (Fire stations, police, library and city hall).

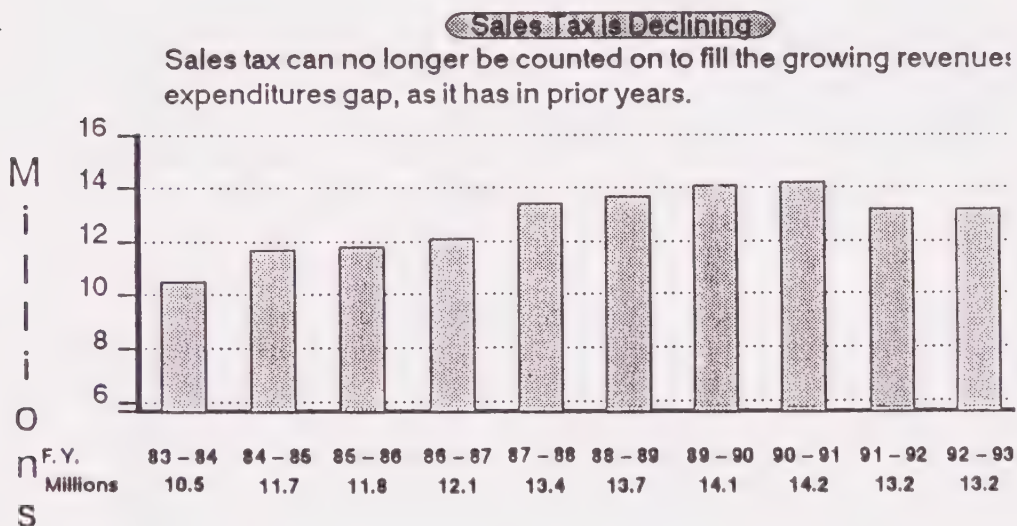
LONG TERM PROPOSALS - SUMMARY

A-1 SALES TAX

Sales Tax (\$13,231,000) is the City's largest single source of revenue (34%). For 1992-93 sales tax revenue is estimated to increase by .2% (\$27,600) over 1991-92. As previously mentioned, for the past three years, sales tax growth has been virtually flat. It is anticipated that the current economic recession will continue to impede sales tax revenue expansion through the end of 1992.

<u>Revenue Trends</u>	<u>Actual 1990-91</u>	<u>Actual 1991-92</u>	<u>Estimated 1992-93</u>
Sales Tax	\$14,232,589	\$13,203,400	\$13,231,000

Comparative Analysis



Revenue Increase Impacts

A 1% shift in sales tax represents approximately \$132,000 in revenue to the City.

Committee Recommendation

1. Encourage "Shop San Leandro" program;

LONG TERM PROPOSALS - SUMMARY

A-2 INCREASE EFFORTS FOR ECONOMIC DEVELOPMENT / BUSINESS RETENTION

Economic development has been targeted as one of the City's most important tasks toward ensuring a financially sound future. Economic development activities ultimately affect a City's revenue by increasing both property values and sales tax revenue. FY 1992-93 saw the first economic development budget for the City. This budget includes several activities such as a business retention survey, inventory of available commercial real estate, an economic development breakfast, and promotional/image development activities. While many activities are initiated by the Planning and Redevelopment Division staff, currently there is no staff dedicated to economic development activities. The lack of staff serves as a limitation to increased efforts to enhance the City's economic development activities.

To implement the existing goals as set forth in the 1992-93 budget, staff recommends several activities. These activities include, but are not restricted to, the following: Increased coordination with agencies such as Chamber of Commerce, EDAB, real estate representatives, brokers, developers, and property owners; business retention and new business attraction; relocation assistance; technical assistance and "user friendly" information to facilitate permit processing, business licensing, business start up, and the small business loan program; research into new markets; development of "downtown" marketing, promotion and special event programs for the small neighborhood commercial areas; coordination of public improvement projects; and marketing and promotional campaign for the entire city. However, many of these activities can not be pursued with existing staff.

Staff has identified the Redevelopment Administrator position as responsible for all economic development issues and activities. The above mentioned objectives would be implemented upon the hiring of this position, targeted for April 1993. This position has been identified in the PR20 list of reductions. Elimination of this position would greatly reduce or eliminate the department's ability to address economic development activities and issues. While the short term costs include the hiring of the Redevelopment Administrator (\$114,304/yr), the City will realize long term positive financial results from full implementation of an economic development program.

It is impossible to quantify the benefits to be derived by the City from this change idea.

Committee Recommendation

1. This program should be encouraged.

LONG TERM PROPOSALS - SUMMARY

B. PROPERTY TAX

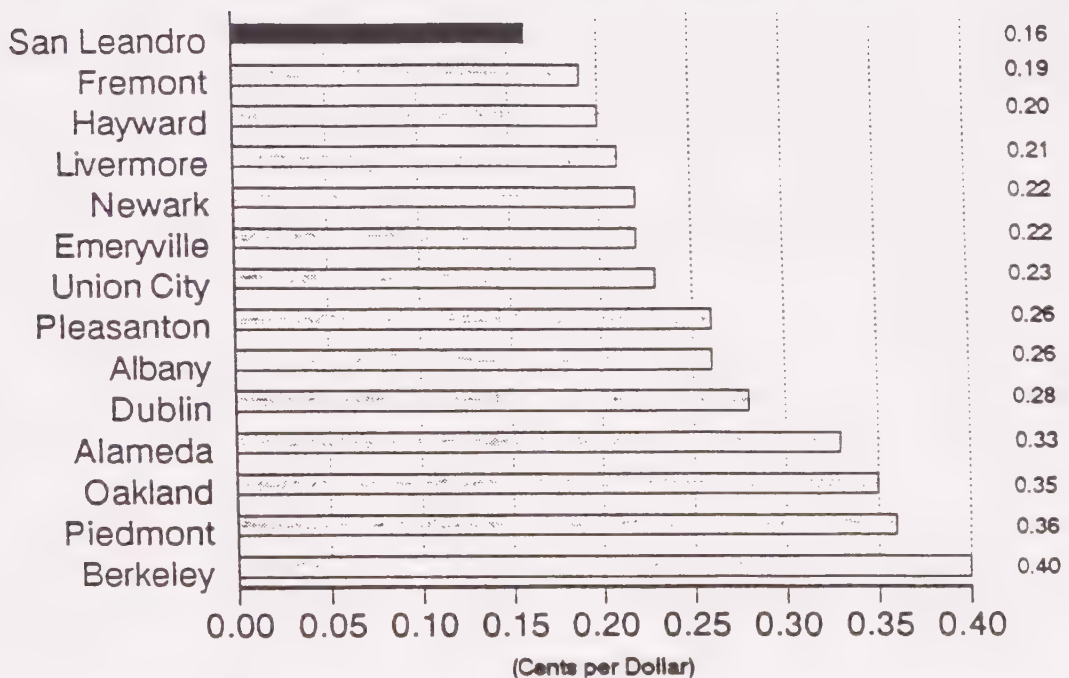
Property tax revenue for 1992-93 is estimated at \$5,360,100 as compared to \$6,356,870 in 1991-92, a decrease of \$996,770 or 15.7% under the prior year. Property tax represents 14% of total City revenues. The property tax rate has not been under City control since July 1, 1978. In accordance with State law, property is assessed at actual full cash value. The maximum State-wide levy is 1% of the assessed valuation. Increases in assessed valuation are limited to 2% per year if there is no change in property ownership or major improvements. The 1992-93 estimates include anticipated State reductions of one million dollars.

<u>Revenue Trends</u>	<u>Actual 1990-91</u>	<u>Actual 1991-92</u>	<u>Estimated 1992-93</u>
Property Taxes	\$5,888,231	\$6,356,870	\$5,360,100

Comparative Analysis

SAN LEANDRO RECEIVES THE LOWEST PROPERTY TAXES!

San Leandro receives the lowest amount from property tax than any other City in Alameda County as shown below. The average household contributes \$90 per year of their property tax bill to support General Fund Services. Before the passage of Proposition 13, San Leandro had the lowest property tax rate in Alameda County. Proposition 13 permanently froze that rate at 18 cents for every tax dollar.



Committee Recommendation

1. Monitor legal suites brought by other cities re: the current state allocation formula and join with those cities when appropriate.

LONG TERM PROPOSALS - SUMMARY

C. PRIVATIZATION OF GARBAGE COLLECTION

The City Council considered the concept of selling the City's Refuse Enterprise Operation in 1989. At that time, it was determined that the one-time revenue from the sale would not offset the ongoing financial benefits to the City derived from having a broader base to distribute overhead and administrative costs. An independent analysis of the value of this asset was made and the value was determined to be in the range of \$2.6 million to \$3.6 million. The Refuse Operation currently provides General Fund support of \$638,000 per year over and above the \$293,000 franchise fee it currently pays which would also be charged to a private collection company. Negotiations for the sale and development of a Franchise Agreement would require approximately one year to be completed.

Privatization of refuse collection will reduce the City's flexibility in providing services required to meet waste diversion mandates of AB939 (Recycling Act). Cities with franchised refuse collection are restricted as to the implementation of new programs to reduce landfill disposal of solid waste. Sanitation Workers and equipment are major assets to the City's emergency response. City Sanitation Workers are not in a labor union and are not required to honor pickets engaged in labor disputes. Other refuse collection companies have requested City service to be provided to their customers when their drivers are unable to cross a picket line. This service has been provided in order to protect public health and safety. The one-time revenue from the sale of the Refuse Operation would be offset by the reduced support to the General Fund and result in a net loss after approximately five years.

Committee Recommendation

1. Do not privatize but explore the possibility of expansion into the Oro Loma area.
2. Explore the possibility of an assessment district for recycling mandates.

LONG TERM PROPOSALS - SUMMARY

D. INCREASE FEES FOR GOLF COURSE

The green fees for both City-owned golf courses, the Tony Lema and the Marina, are reviewed annually by the Recreation and Parks Commission. The Commission recently completed an extensive review of fees which resulted in a 14% average increase. This new fee structure will go into effect January 1, 1993. It is estimated that this rate hike will raise an additional \$225,000 in revenues, bringing the total estimated revenues to \$1,829,000 for the current fiscal year.

The approach of reviewing and adjusting green fees on an annual basis places the Golf Course Enterprise Fund in a much more favorable financial picture. This most recent increase allowed us to charge the fund a property in-lieu fee that went to the General Fund. We were also able to accelerate the repayment schedule to the General Fund for the loan repayment. The Recreation and Parks Commission will be looking at further adjustments in 1993. One of the long-range strategies of the Commission is to have enough revenue available to set aside funds for replacement of the capital improvements.

There will be no direct offset to the General Fund from this change idea.

The Public Advisory Task Force Revenue Sub-Committee is reviewing increases for all Enterprise funds and recommendations will be forthcoming from that Sub-Committee.

Committee Recommendation

1. Fees should be comparable to other public golf courses. Management should pursue (a) privatization of maintenance and (b) increase of the fee base to include replacement of the infrastructure, if possible.

LONG TERM PROPOSALS - SUMMARY

E. AMBULANCE SERVICES/PARAMEDIC PROGRAM

Presently paramedic service to the City is provided by Regional ambulance a privately owned company that successfully bid and has the contract with Alameda County to provide the service. The ability for the City to provide the service in place of Regional ambulance at the present time would require the City to take legal action against the County, and the City would probably be sued by Regional as well. Regional's contract will be up for renewal in two years, and at that time the City will have the opportunity along with other interested cities in the County to pursue the implementation of a fire department based paramedic program. There is a great deal interest by other cities in the County to pursue the program as well. The implementation of a paramedic program can also be accomplished as part of a consolidated department.

There is a significant amount of revenue that can be realized through the implementation of a paramedic program. The level of service can also be improved by using fire fighters as paramedics and providing transport. While specific numbers are not available at this time preliminary estimates place net revenues between \$400,000 and \$600,000 annually, and this could not be realized until fiscal year 96/97.

Committee Recommendation

1. Pursue ambulance service as planned and include this revenue in 1996/97 to defray any revenue increases.

LONG TERM PROPOSALS - SUMMARY

F-1 SURPLUS PROPERTY - MAKE NON-PERFORMING ASSETS PERFORM

The Revenue Subcommittee requested a list of City-owned property for similar reasons. This list is provided as an attachment.

The City has real estate assets which include a variety of land uses. While much of the land owned by the City is dedicated to public purposes such as parks and open space, the Civic Center, and Service Center, surplus land which no longer serves a public purpose is available to sell or lease for private development.

The City is currently pursuing several transactions to increase revenue and help alleviate the current budget crisis. Two development proposals on the former Corporation Yard site at San Leandro Boulevard and Davis Street are under consideration by a City Council subcommittee. The subcommittee is expected to make its recommendation to the City Council early in 1993.

The Redevelopment Agency is currently negotiating with a developer who is interested in purchasing two vacant sites on Davis Street west of Thrasher Park. The developer anticipates constructing an out-patient surgery center and related medical offices on the site. Negotiations are in process and are expected to conclude before April 1993.

In the Marina there are two sites identified in the Draft Marina Specific Plan as potential development sites: a site near the Neptune Drive entrance adjacent to the El Torito restaurant; and the former San Leandro Boat Works site on South Dike Road. Currently, discussions with a developer interested in constructing a Marriott Residence Inn on the Boat Works site are progressing toward a lease agreement which should be concluded in early 1993.

When the City considers any sale or lease of non-performing assets, it must perform a financial analysis on each transaction. The primary purpose of the financial review is to determine the net proceeds the City can expect after expenses and other capital costs are taken into account. Because the financial review is ongoing for the transactions listed above, and the final negotiations are not concluded, staff can not provide specified net proceeds at this time.

Committee Recommendation

1. Prepare a list of all surplus City property and pursue the sale and/or lease (long-term land leases) of these properties. Utilize the revenues from these properties for capital improvement needs.
2. Do not assess a franchise fee upon non-profit agencies utilizing City property.

LONG TERM PROPOSALS - SUMMARY

F-2 SURPLUS PROPERTY - LEASE, NOT SELL, CITY LAND WHERE POSSIBLE

Leasing City-owned land as opposed to a sale is a decision the City should evaluate on a site by site basis. Because the City's goal is to both maximize income and minimize risk, it may be to the City's advantage in some circumstances to sell property and invest the capital to create a steady income to the City.

A significant factor in the decision to sell or lease City owned real estate is the land use intended for the property and the level of risk determined by the lender. For example, the highest and best use for a site may be office. Because there is considerable office space currently available on the market, however, lenders may consider new ventures to be high risk. In high risk investments, lenders require that their interest in the lease take precedent over the underlying title held by the City. This means that if the office project is unsuccessful, and the lessee defaults on the loan, the lender would be in a position to take title to the property to recover its investment and the City would lose its asset.

In other cases, a land lease is more appropriate than a sale. Retail commercial is a use where a lease is a benefit to the City. A land lease provides the flexibility to renegotiate rents which ensures the City's cash flow keeps pace with inflation and with the income generated by the development because retail commercial developments are volatile by nature. Secondly, a lease reduces the initial development costs which allows the developer to maximize his or her borrowing capacity.

The determination of whether to sell or lease a property is dependent on the highest and best use for the site, the rate of return and the level of risk. The City typically employs a financial consultant to advise it on the most appropriate action. It is not possible to determine the best financial alternative until an actual developer is chosen and a project identified.

Committee Recommendation

1. Prepare a list of all surplus City property and pursue the sale and/or lease (long-term land leases) of these properties. Utilize the revenues from these properties for capital improvement needs.
2. Do not assess a franchise fee upon non-profit agencies utilizing City property.

LONG TERM PROPOSALS - SUMMARY

F-3 SURPLUS PROPERTY - EXPAND BUSINESS ENTERPRISES ON CITY PROPERTY

There are currently no private concessions operating out of our parks that pay a franchise fee to the City. We allow non-profit youth groups to sell refreshments during ball games at two of our parks. The Washington Manor Junior League operates its concession stand out of Stenzel Park and the San Leandro Bobby Sox League operates one at Washington Manor Park. The proceeds help cover operating expenses and the City does not share in the profits. In the late 1960's and early 1970's, the Recreation-Human Resources Department operated a boat rental concession adjacent to the public pier in Marina Park. We are hoping a private concessionaire will consider establishing a similar operation at the same site. This spot was also designated as a secondary site for the bike rental concession that operated out of the former yacht sales building. In addition, we currently charge a business license fee for all portable food vending operators, many of whom service our parks. Those wishing to operate in our Shoreline Recreation Area are assessed a \$100 surcharge in addition to the business license fee. While our City parks are primarily a neighborhood parks system, there may be an opportunity to establish some compatible concessions (e.g., refreshment stands, children's amusement rides, etc.,) in some of the larger parks and we could benefit from a rental fee based on gross receipts.

The Recreation and Parks Commission would be the most appropriate advisory body to pursue this change idea. This is an idea that could be implemented immediately. It would involve no additional cost and would provide some revenue to the City. The amount could be a percentage of gross receipts. A fee could also be assessed on those non-profit groups currently using park facilities, but would have an adverse impact on the youth served by the organization. If gross sales for all non-profit groups amounted to \$ 1 Million per year and the City applied a 5% concession rental fee, the City would realize \$50,000 in additional revenue.

Committee Recommendation

1. Prepare a list of all surplus City property and pursue the sale and/or lease (long-term land leases) of these properties. Utilize the revenues from these properties for capital improvement needs.
2. Do not assess a franchise fee upon non-profit agencies utilizing City property.

LONG TERM PROPOSALS - SUMMARY

G-1 LOAN REFINANCING - CONVERT MARINA LOAN TO BOND ISSUE

In the current fiscal year, the General Fund loaned the Marina Fund \$2.3 million for the removal of dredge spoils material that accumulated over a twenty year period. The removal of this material is required by both Federal and State Agencies before further dredging of the channel and harbor is permitted.

These funds were loaned to the Marina Fund on a interest only basis at this time as the Marina Fund does not have sufficient revenues to amortize the loan. For this reason, refinancing of this loan through the issuance of bonds cannot be undertaken until additional revenues are generated. The Marina Master Plan is addressing this long-term funding problem through the identification of a sites at the Marina that can be utilized for increased business activities, including new hotels and restaurants.

Due to current Marina Fund financial restraints, the General Fund loan cannot be refinanced at this time as revenues needed to support debt service payments for a bond issue are inadequate.

Committee Recommendation

1. Do not pursue at this time

LONG TERM PROPOSALS - SUMMARY

G-2 LOAN REFINANCING - CONVERT DEBT SERVICE TO BOND

Over the years, the General Fund has provided financing for other City Funds for both operating and capital improvement purposes. As of December 1, 1992, the outstanding balance on these loans totals \$13.3 million. Of this amount, \$9.6 is due from the Redevelopment Agency, \$2.3 from the Marina Fund and \$1.4 million from the Golf Course Fund (in addition, the Golf Course owes the Garage Fund \$2.5 million).

These loans bear interest at rates ranging from 7 to 8% per year; the General Fund receives about \$ 1 million in interest income from these loans. This income is an integral part of annual General Fund operating revenues.

Annual debt service on the Redevelopment Agency is for interest only as the Agency does not presently have sufficient revenues to fully amortize the loan. For this reason, refinancing of this loan through the issuance of bonds is limited to about \$6 million. The Golf Course loan could be refinanced in full through issuance of bonds. The Marina loan cannot be refinance at this time due to inadequate revenues to support operating, capital and debt service costs.

The General Fund could recall \$7.4 million in loans made to other City funds. Due to restrictions placed on the issuance of tax exempt debt, these funds would have to be used for specifically identified one-time capital expenditures. The annual loss of interest income to the General Fund if a portion of the outstanding loans is refinanced is estimated to be \$525,000 per year.

COMMITTEE RECOMMENDATION

1. Do not pursue at this time

LONG TERM PROPOSALS - SUMMARY

H. DEBT FINANCING - ESTABLISH JOINT LIBRARY/RECREATION DISTRICT

California State Law may not allow for the creation of a joint Library-Recreation District. Library Districts are dealt with in the California Education Code. Recreation Districts are covered in the California Government Code. Rules for establishment of such districts are different, purposes are different, and governance is different and appear to be incompatible. There are no such districts in California. The feasibility of a joint district would need to be referred to legal counsel for study.

It is important to note that cities which operate municipal libraries are governed by Municipal Library Law which gives considerably more local control to cities than Library District law gives to a Library District. For example in a Library District the Board of Supervisors may appoint Library Trustees. The powers of the Board of Library Trustees are governed by State Law, not our Municipal Code. Additionally, State Law requires a Library District to provide free service to non-residents who pay any form of tax in San Leandro (Education Code 19479) and would require us to loan materials to other jurisdictions (Education Code 19466). The California State Library has consistently required such districts to provide free service to non-residents or lose all State funding.

A stand-alone Recreation District would appear to offer fewer obstacles and would allow more retention of local control.

Library patrons could expect a dramatic decrease in service as large numbers of non-residents take out cards and begin to borrow books. Fewer books would be available to local residents and there would be long lines at service desks unless additional personnel were hired. State Law mandates changes in existing library service policies.

There would be less impact on Recreation Services as they could continue a two-tier fee structure for residents and non-residents.

A Library/Recreation District could be created to include full Parks maintenance, Golf Course administrative costs, and full Library services. The creation of a such a district could result in approximately \$5.6 million in relief to the General Fund. These costs would be passed along to taxpayers in San Leandro through property taxes.

A stand-alone Recreation District would require an assessment of approximately \$30.00 per year. The estimated costs for a district including full Park maintenance, Golf Course administrative costs, and full Library services to the average homeowner would be \$15.00 per month or \$180.00 per year. The comparable costs current assessed by H.A.R.D. per property (based on an average property value of \$200,000) is \$200/yr.

Committee Recommendation

1. Do not pursue an assessment district or mello roos community facilities district for highly desirable services (e.g. public safety, library or recreation) at this time.

LONG TERM PROPOSALS - SUMMARY

I. TAKE \$300,000 FROM GARAGE DEPRECIATION (ONE TIME)

Depreciation on City owned vehicles is computed each year and charged back to the user departments along with the operating costs of the Garage Fund. Garage depreciation totalled \$375,400 in fiscal year 1992/93.

Due to budget constraints in 1992/93, the City reduced the funding of the garage depreciation by \$67,500. Charge backs of equal amounts over the life of the vehicles assures adequate reserves for replacement. The 1992/93 reduction was intended to be a one-time reduction to save general fund monies while retaining the integrity of the depreciation reserve.

To utilize the buildup of depreciation reserve funds and capitalize on the float within the reserve, the City has used these reserves as a short-term financing mechanism for other funds. Loans outstanding from the Garage fund include advances to the Golf Course Fund and lease financing for computer equipment.

An additional one-time reduction of \$300,000 from the Garage Fund would temporarily retain monies within the General Fund and effectively eliminate one full year of depreciation funding. This approach provides a "band-aid" for the projected deficit as the funds would eventually have to be transferred as vehicles are replaced. Whether this funding would be available in future years is doubtful.

An alternative to this proposal is increased internal financing to other funds from this reserve. The Revenue Committee is currently discussing this alternative and will propose options for the utilization of these reserve balances.

Committee Recommendation

1. Do not eliminate depreciation funding.

LONG TERM PROPOSALS - SUMMARY

J. DISASTER PREPAREDNESS FINANCING

(See Disaster Preparedness appendix for more detail.)

DISASTER PREPAREDNESS SUBCOMMITTEE RECOMMENDATIONS

**Public Advisory Task Force
Disaster Preparedness Sub-Committee**

Ref	Description	Estimated Cost		
		FY93-94	FY94-95	FY95-96
		Year 1	Year 2	Year 3

**COMMUNITY-WIDE DISASTER PREPAREDNESS AND
IMPROVED DISASTER RESPONSE CAPABILITY**

1	Additional Disaster Preparedness Staff Member	\$75,000	\$65,000	\$65,000
2	800 Megahertz Public Safety Radio System	\$82,000	\$82,000	\$82,000
3	Neighborhood Emergency Response Team Training	\$60,000	\$45,000	\$45,000
4	Mobile Communications Center to Augment City's Emergency Operations Center	\$125,000	\$5,000	\$5,000
5	Residential Foundation-Retrofit Assistance			
	Option: Informational Program	\$75,000	\$5,000	\$5,000
	Option: Financial Subsidy Program	\$0	\$0	\$0
6	Upgrades of Emergency AM Radio Station and Warning Siren System	\$110,000	\$10,000	\$10,000
7	Neighborhood Disaster Supply Storage Facilities ("ARKs")	\$240,000	\$10,000	\$10,000
8	Purchase of RACES ham radio equipment for City EOC	\$10,000	\$1,000	\$1,000
TOTALS		\$777,000	\$223,000	\$223,000

SEISMIC RETROFIT OF ESSENTIAL CITY FACILITIES

1	Seismic Retrofit of Essential City Facilities	\$210,000	\$1,096,000	\$1,096,000
TOTALS		\$210,000	\$1,096,000	\$1,096,000

1. IMPROVED DISASTER RESPONSE CAPABILITY

Until recently, the leaders and citizens of San Leandro have been unaware of their high seismic danger. In the light of new studies about the City's seismic risk and our increasingly common experiences with earthquakes we find that many residents, neighborhoods, schools, and businesses are vulnerable to injury, damage and isolation in a catastrophic earthquake on the nearby Hayward fault. In such an earthquake all local government emergency services will be overwhelmed and will not be able to respond to the individual needs of citizens for at least the first 72 hours into the disaster -- citizens will be forced to depend even more heavily on their own resources during a disaster. The City's Partnership for Preparedness Program was designed to help people in the City's neighborhoods, schools and businesses prepare themselves and their homes and workplaces to be more self-reliant in a disaster, and prepare the City's public safety services for a more effective disaster response. The projects proposed by the Task Force seek to accomplish these community preparedness goals.

1.1 ADDITIONAL DISASTER PREPAREDNESS STAFF MEMBER

To continue disaster preparedness projects that are now underway and implement others now in development, the Partnership for Preparedness Program requires additional staff. As a starting point for implementation of this program, the addition of one staff position in the Disaster Preparedness Office is required. This additional staff member will provide the Disaster Preparedness Coordinator more time continue to pursue federal grants and the assurance of having staff to adequately support and perform the promised work that may be funded.

Estimated Cost: \$75,000 first year, \$65,000 annually thereafter.

1.2 AN 800 MEGAHERTZ PUBLIC SAFETY RADIO SYSTEM

This project will replace the aging, overcrowded, and separate public safety radio systems presently used by the City with a modern 800 megahertz trunked radio system. Benefits of such a project will include:

- linking the City's public safety departments on a single, expandable radio system
- including staff teams from other departments in the radio network for disaster response service; e.g., building inspectors
- providing better signal-penetration of buildings
- minimizing the problems of overcrowding of frequencies.

Estimated Cost: \$82,000 annually years 1-7, \$22,000 annually thereafter.

1.3 NEIGHBORHOOD EMERGENCY PREPAREDNESS AND RESPONSE TEAM TRAINING

This project will guide residents toward home and family earthquake preparedness and neighborhood emergency response by training residents to become part of a citizen emergency response team in disasters. Models for this program are citizen response organizations sponsored by the Cities of Sunnyvale and Oakland. Costs include training materials, basic emergency tools (hardhats, vests, etc.), first aid instruction, and training modules developed by other agencies.

Estimated Cost: \$60,000 first year, \$45,000 annually thereafter.

1.4 MOBILE COMMUNICATIONS CENTER TO AUGMENT THE CITY'S EMERGENCY OPERATIONS CENTER (E.O.C.)

This communications and command vehicle will be a shared resource for the San Leandro Police, Fire, and Public Works Services Departments and for the City's team of Public Information Officers during disasters (for use as a command post or an alternate EOC). It will also serve as an on-scene center of extended operations in day-to-day emergencies, crime surveillance, drunk-driver check points, and outdoor civic events that require a public safety presence. The value of a mobile communications vehicle has been proven by public safety agencies in many California cities. In the East Bay, San Leandro would follow the lead of Fremont, Hayward, Oakland, and Berkeley with this project.

Estimated Cost: \$125,000 first year, \$5,000 annually thereafter.

1.5 RESIDENTIAL FOUNDATION RETROFIT ASSISTANCE PROGRAM

This project will provide homeowners with information and technical guidance for strengthening the foundations of the thousands of San Leandro's older homes that are vulnerable to earthquake damage. The technical guidance will include the following:

- Building Survey: A reconnaissance survey of the common home foundation types in the City for the purpose of reducing owner costs by sharing retrofit designs.
- Technical Guidance: A pamphlet for San Leandro homeowners will be developed that will:
 - A. educate homeowners about typical foundation types and the scope and cost-range of seismic safety repairs they may require
 - B. recommend construction and maintenance strategies for mitigating earthquake-caused fire hazards
 - C. describe services that the City's departments can provide (e.g., inspection, plan check, evacuation planning, etc.)
 - D. offer guidance about business contracts and practices with retrofit contractors, and
 - E. suggest alternatives for financing retrofit projects
 - F. provide references to more detailed hazard reduction and disaster preparedness information that is available.

Estimated Cost: \$75,000 first year, \$5,000 annually thereafter.

1.6 UPGRADE OF CITY'S EMERGENCY AM RADIO STATION AND WARNING SIREN SYSTEM

This project will improve the signal quality of the City's existing AM radio emergency broadcast station (the City's Travelers Information Station at 1610 AM), and replace the now disabled community alerting and warning sirens with a citywide network of fewer, high-quality modern sirens. These two systems will work in tandem to alert, warn and provide emergency information to citizens in the event of "silent" disasters such as hazardous chemical releases, flooding, and transportation accidents, and advise disaster victims about the location of emergency shelters and aid stations in the community.

Estimated Cost: \$110,000 first year, \$10,000 annually thereafter.

1.7 NEIGHBORHOOD DISASTER SUPPLY STORAGE FACILITIES ("ARKS")

All public school sites in the San Leandro and San Lorenzo Unified School Districts that are within the City's border ultimately will be designated by the American Red Cross to be disaster mass care shelters. To expedite the setup of disaster shelters at these school sites the City, working with these districts, wishes to install one or two disaster supply storage facilities (disaster "arks") on each site. Each ARK will include a metal cargo shipping container (9'x9'x40') housing disaster supplies and equipment to meet the anticipated care and shelter needs of the Red Cross (water, limited food stores, first aid supplies, cots, blankets, power generators, sanitation supplies, emergency lighting, etc.).

Once the ARKs are installed and supplied, the City will work with the school administrators and neighborhood residents to designate and train ARK managers from the school and neighborhood to assist with stocking and maintenance of the stored supplies and with shelter management during disasters.

Estimated Cost: \$240,000 first year, \$10,000 annually thereafter.

1.8 PURCHASE OF HAM RADIO EQUIPMENT FOR THE CITY'S E.O.C. TO SUPPORT THE SAN LEANDRO'S AMATEUR RADIO OPERATORS

This project will provide needed HAM radio equipment for the City's dedicated organization of volunteer radio amateurs for use in the City's Emergency Operations Center. The equipment will vastly improve the reliability and information value of HAM communications throughout the City and to E.O.C.'s in other parts of the Bay Area during disasters. The equipment will be used, for example, to:

- support the City's police, fire and public works services in the field
- communicate family welfare information for disaster victims
- link the City's shelter sites for the American Red Cross.

Estimated Cost: \$10,000 first year, \$1,000 annually thereafter.

2. SEISMIC RETROFIT OF ESSENTIAL CITY FACILITIES

New scientific and engineering studies have revealed that most of the City's essential public buildings are "under-built" for the extreme seismic force levels that earthquakes have recently shown are possible. To protect City employees and citizens from death and injury in these seismically vulnerable facilities and to prevent emergency equipment from being damaged and disabled from the collapse of these buildings during an earthquake, the City's essential facilities must be strengthened. The people and resources in these facilities are vital to the San Leandro community not only for the management, coordination and allocation of the City's emergency response resources in a disaster, but also for the administration of public safety in the disaster aftermath and the community planning, decision-making, permitting and post-disaster reconstruction that must quickly begin. This Task Force recommends that the seismic retrofitting of the City's essential facilities begin.

This program will strengthen San Leandro's seismically vulnerable civic buildings that are essential to emergency response and post-disaster recovery. The program will assure the public and City employees to the extent possible that the City's fire stations, public safety building, City Hall, and other facilities remain functional during a magnitude 7 earthquake on the Hayward fault. Ranked in order of how essential the facilities are judged to be for the safety of the San Leandro Community at large, these facilities (and preliminary retrofit costs) are as follows:

- MOST ESSENTIAL:
 - Fire Stations 1-5 (\$850,000)
 - Public Safety Building (\$1,660,000)
 - Public Works Service Center Admin. Bldg.
(includes City's E.O.C.) (\$60,000)
- ESSENTIAL:
 - City Hall (\$5,068,000)
 - Main Library (\$1,811,000)
- LEAST ESSENTIAL:
 - Public Works Shops (\$60,000)
 - Public Works Garage (\$248,000)
 - South Offices Building (\$438,000)

Estimated Cost: \$210,000 first year; \$1,096,000 annually thereafter

RECOMMENDED ATTRIBUTES OF A SPECIAL MECHANISM TO FUND A DISASTER PREPAREDNESS PROGRAM

Should the City Council decide to fund a Citywide disaster preparedness program through a revenue measure involving a special assessment or tax, the Disaster Preparedness Subcommittee recommends that such measure:

- be approved by a 2/3 vote of the electorate
- include a sunset provision
- restrict all revenues to disaster preparedness uses
- be applied equitably to taxpayers
- include low-income exemptions
- require that revenues be offset by any disaster preparedness grant monies that are received
- require that the assessment rate be adjusted if City's general revenues improve
- require that the assessment rate be subject to annual review and adjustment by a citizens advisory committee with public hearings.



VISION TASK FORCE MEMBERS

Anees Azad
Bob Berger
Robert Boyer
George Brown
Don Carlson
Fred Collins
Phil Daly
Sandi Forese
Russ Gebhardt
Jack Goodrich
Carolyn Green
Glenn Hilton
Michael Jacobowitz
Jeff Jensen
Robert G. Leigh
Janet Mohr
Paul Nahm
Bill Perras
Ken Pon
Marion Pryfogle
Susan Reisz
Rick Richards
A. J. Rosenga
Manuel Sousa
Bill Swann, Jr.
Joe Walsh

Kai Bender
Craig L. Bettencourt
Kim Brockman
Kent Norman Brown
Charlie Coffin
Jim Cramer
Dave Davini
Gordon Galvin
Bob Glaze
Kathy Gorham
Ernest Hardman
Sam Holcomb
Bill Jardin
L. N. "Judge" Landis
Jeff McGallian
Michael Munoz
Lee Ness
Dean Plankenhorn
Mike Pretto
Dale Reed
Morgan Rice
Susan Riskind-Poulsen
Barbara Samaniego
John Sullivan
Caryl Ann Symons

VISION TASK FORCE STAFF

Mike Oliver
Bill McCammon
Carol Atwood
Wandzia Grycz-Hernandez

John Jermanis
Rick Evans
Alice Calvert
Patrick McClellan